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NEWS SUMMARY

GENERAL

Liverpool faces £10m bill for riots

Liverpool's four days fo riots could land local ratepayers with a staggering £10m bill for the policing and compensation claims, Merseyside police committee was told yesterday.

The announcement came as Environment Secretary Michael Heseltine, on a three-week fact finding mission to the area, approved in principle a redevelopment scheme for Liverpool's rundown docklands. Page 3

Blast averted

Fireman saved Shoreham, Sussex, from possible devastation after pumping nitrogen into the hold of a Dutch ship where explosive gases were leaking. Page 3

'Victim' released

Edward Covill, 32, was released after two years in jail for rape when the Appeal Court ruled he was a victim of a miscarriage of justice.

Pie company fined

Cardiff pie company Fleur-de-lys Pies West was fined £100 and ordered to pay £5,000 costs for possessing meat from a knacker's yard.

Police pay rise

The Government agreed to pay police a 13.2 per cent rise and to honour an index-linked pay formula for 36,000 firemen. Page 3

Iran poll clash

Three Islamic revolutionary guards and two civilians were killed in gun and bomb attacks in Tehran as Iranians voted in presidential elections. Page 2

Fraser foiled

Australian Premier Malcolm Fraser negotiated an end to several crippling strikes but his efforts may mean he will miss the Royal Wedding. Back Page

Smugglers jailed

Six men were jailed for a total of 37 years at Birmingham Crown Court for smuggling nearly £1m-worth of drugs from Iran.

Masons outlawed

Rome Government outlawed all secret societies just two months after 1,000 leading Italians were named as members of a shadowy masonic lodge.

Conference delay

Persistent East-West wrangling over human rights and military security forced a three-month adjournment of the Madrid European security conference.

Zimbabwe bomb

A bomb blast destroyed part of Zimbabwe's three-month-old independence arch on the main highway from Salisbury airport to the capital.

Industrialist dies

Noel Griffin, managing director of Waterford Glass and one of Ireland's leading industrialists, drowned in a swimming pool accident on Thursday. Page 2

Navigator killed

The navigator of an RAF Jaguar jet which crashed off the Devon coast died in hospital after being winched from the sea by helicopter.

Waring replaced

The BBC appointed Widnes teacher Ray French as rugby league commentator to succeed Eddie Waring who retired at the end of last season.

Light fingered

Glasgow CID said a 27-inch solid silver replica of the Eddystone lighthouse, worth £17,000, had been stolen from the Clyde Shipping Company office.

BUSINESS

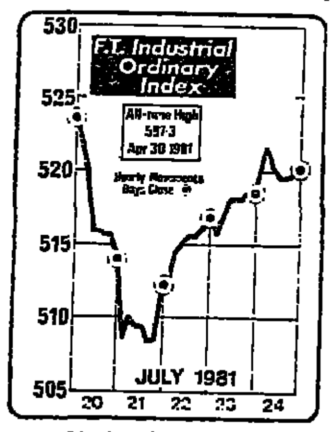
Sterling improves; dollar declines

● STERLING closed at $1.8640, up 85 points. It advanced to DM 4.5450 from DM 4.5400, FFr 10.8175 (FFr 10.7850), SwFr 3.9250 (SwFr 3.91). Its Bank of England trade-weighted index finished at 92, up 0.2. Page 21

● DOLLAR declined to Y234.5 (Y234.75), DM 2.4375 (DM 2.4455), SwFr 2.1045 (SwFr 2.1060), and FFr 5.8050 (FFr 5.8110). Its Bank of England trade-weighted index remained at 111.5. Page 21

● GILTS were steady to firm. The Government Securities Index moved up to 64.16, up 1.04 from Tuesday's 4½-year low. Page 22

● EQUITIES followed gilts. The FT 30-share index was up



1.6 at 520.2, a loss of 3.5 on the week. Page 22

● GOLD advanced $1 in London to $408.5. In New York the July Comex close was $407.2. Page 21

● WALL STREET was 6.66 up at 935.22 near the close. Page 18

● EEC BUDGET Ministers cut £647m off the European Commission's £12.4bn proposals for community spending. Back Page

● G. HEILEMAN BREWING, U.S. company, has bid $494m (£267m) in cash and shares for Jos. Shclitz, which holds fourth place in the industry. Back Page

● DENISON Manufacturing, U.S. manufacturing stationer, made an agreed bid of £25.8m for Ofrex, UK office and stationery supplies group. Back Page

● BANK OF CANADA raised its prime rate to 19.89 per cent and other big commercial banks raised their prime rates to a record of 21 per cent. Page 2

● BRITISH GAS has paid £47m since 1974 for an early warning system to find faults in the high pressure natural gas grid. Page 3

● BRITISH CHEMICAL manufacturers pay an average of 64 per cent more for their electricity than competitors in France, says the Chemical Industries Association. Page 3

● MONOPOLIES COMMISSION is to carry out an efficiency audit of four big provincial bus operators. Page 3

● FRANCE'S bankruptcies rose by 22 per cent in the first half of this year compared with the same period last year. Page 2

COMPANIES

● BHP, Australia's largest public company, announced profits, adjusted for inflation up 20.8 per cent from A$208.7m (£127.6m) to A$258m. Page 19

● WORLD INTERNATIONAL Holdings, of Hong Kong, announced a 365 per cent increase in profits to HK$346.54m (£32.5m) in the year ended March. Page 19

● JOHN BROWN and Co. announced taxable profits down from £21.13m to £14.21m for the year to end-March. Page 16; Lex Back Page

● POLLY PECK HOLDINGS, women's clothing maker, reported a pre-tax profit for the period March 20 1980 to February 28 1981 of £51,779 compared with a loss of £43,989. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 11½pc 1989	£82½	+ ¾
Arbuthnot Latham	280	+ 7
BAT Inds.	365	+ 18
Berkeley Hambro	285	+ 13
Chubb	100	+ 9
Clifford's Dairies A	126	+ 16
Firth (G. M.)	133	+ 5
Haden	220	+ 15
Hanson Trust	272	+ 6
Hepworth (J.)	100	+ 6
Jarvis (J.)	218	+ 6
London Utd.	220	+ 12
Magnet & Southerns	142	+ 6
Owen Owen	235	+ 10
Sidlaw	190	+ 10
Stanelco	75	+ 5
Vosper	140	+ 5
Atlantic Resources	290	+ 45
Sovereign Oil	365	+ 10
Geevor	138	+ 13
Hampton Areas	225	+ 10
Jantar	44	+ 3

FALLS

Churchbury Ests.	705	− 35
Inchcape	365	− 15
Law Land	116	− 7
Union Discount	430xd	− 9
Peko-Wallsend	410	− 20

Reagan 'encouraged' as Israel and PLO observe ceasefire

BY OUR FOREIGN STAFF

THE CEASEFIRE between Israel and the Palestinian guerrillas in southern Lebanon agreed yesterday after two weeks of heavy fighting appeared to be holding last night.

President Ronald Reagan said in Washington that the ceasefire "was a hopeful and encouraging sign on the road to achieving peace in this critical region of the world."

Mr Menahem Begin, Israeli Prime Minister, announced yesterday his Government's acceptance of proposals brought by Mr Philip Habib, special U.S. envoy to the Middle East. A few hours later the Palestine Liberation Organisation said it had ordered its men to stop firing.

No details have yet emerged of the agreement, but it is believed to include all military operations by land, sea and air. Israel refused to use the term "ceasefire," and it took two lengthy Cabinet meetings before the terms of the deal were accepted.

Israel's fear was that a truce would suggest a bargain with the hated PLO and its leader, Mr Yasser Arafat.

However, relations with the U.S. had been seriously strained by the fighting, and particularly by the Israeli air raid on Beirut a week ago in which hundreds of Lebanese civilians were killed or wounded.

As international criticism of Israel mounted, the U.S. said that it was delaying a further delivery of F-16 fighter aircraft, and Mr Caspar Weinberger, U.S. Defence Secretary, accused Mr Begin of damaging Mr Habib's peace efforts.

Mr Alexander Haig, the Secretary of State, said that despite the ceasefire the U.S. was not yet prepared to release the 10 delayed F-16s.

"We are going to be watching the situation very carefully for hours and days and perhaps weeks ahead," he said. The original suspension of four F-16s was imposed three days after Israel bombed Iraq's nuclear reactor near Baghdad on June 7.

The implied threat of tougher U.S. action is thought to have swung the balance in the Israeli Cabinet.

The two-week onslaught against Palestinian positions in Lebanon had not silenced the guerrillas' guns. Shortly before Mr Begin made his announcement rockets again fell on the north of Israel, killing one man and injuring seven.

Israeli commandos earlier struck at a Palestinian position south of Beirut, killing several people.

Fears of wider Arab involvement in the conflict grew yesterday when the Defence Council of the Arab League meeting in Tunis threatened joint action against the U.S. and any other country which aided the Israeli offensive against the Palestinians.

Although no specific actions were suggested, the Defence Council promised "global measures."

In Damascus an executive member of the main Palestinian guerrilla organisation, Fatah, was more precise. Mr Abu Maher said that if the oil-producing Arab States were afraid to take action against the U.S. "for fear of their fortunes, then we will destroy their petrol."

The ceasefire was generally welcomed in Israel, but there was a widespread feeling that it was primarily a political gain for the PLO.

Mr Begin had been forced, though very indirectly, to seek PLO agreement before the ceasefire could be announced.

Mr Shimon Peres, leader of the Opposition Labour Party, commented: "I am afraid the PLO has scored a few points because the Government pursued the wrong policies."

Mr Begin's acceptance of the ceasefire should improve relations with the U.S.

But it was hinted in Jerusalem that if the Palestinians resumed shelling there would be little alternative for Israel but to order a full-scale invasion of south Lebanon.

Mr Aarafat is considered to have full control over the Fatah guerrillas but other Palestinian

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The fragile ceasefire, Page 2

Labour Party and TUC launch policy document

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE TUC and the Labour Party yesterday launched a policy document under which trade union influence on a Labour Government would be greatly increased, and a "social contract," which underpinned but finally let down the last Labour Government, would assume even greater importance.

One feature is commitment to strict price-control, exercised through a Price Commission, as the essential basis for a counter-inflation policy.

Wage control, however, is hinted at only. For example, there is a call to union negotiators to "have regard to the impact of settlements on prices."

The document, entitled Economic issues facing the next Labour Government, marks an important though interim stage in development of a joint policy by the TUC-Labour Party liaison committee.

It was approved this week by the TUC's general council and the party's national executive committee. It wil go to Congress and party conference in the autumn for probable ratification.

The main thrust is for a programme of economic expansion to raise output and employment together. Mr Michael Foot, Labour Party leader, said it was proof there was an alternative strategy to present Government policies of division and confrontation.

The document calls for:

● A "new national understanding" implementation of which depended on involving working people "in the decisions which affect them" on agreement on "such crucial issues as social reform and distribution of income and wealth."

● A programme of investment-led growth in which the construction industry would play a central, job-creating role.

● Controls on growth of manufactured imports by fixing penetration ceilings on an industry-by-industry basis.

● Re-introduction of exchange controls and pressure for international agreements on speculative flows of "footloose funds."

● more finance for the public sector through agreements with lending institutions, greater control over pension funds and other financial institutions, and creation of a national investment bank;

● urgent measures to increase training and retraining provisions:

● development of an annual national economic assessment, which would involve unions in decisions on use of resources and on economic priorities.

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DM 4bn Soviet pipeline deal

BY KEVIN DONE IN FRANKFURT

THE SOVIET UNION and a West German banking consortium reached agreement last night on an ambitious credit package of up to DM 4bn (£888m) to finance supply of West German plant and equipment for the controversial 3,000-mile natural gas pipeline that Moscow wants to build from western Siberia to Western Europe.

The DM 20bn scheme, potentially the biggest East-West trade deal, has aroused serious concern in the U.S., where it is feared that Western Europe, and West Germany in particular, are in danger of becoming over-dependent on Russian energy supplies.

The U.S. opposition to the project voiced again this week by President Ronald Reagan was an important source of friction at the summit meeting of Western leaders in Ottawa, but Chancellor Helmut Schmidt of West Germany has made clear that the proposed pipeline will have firm support from Bonn so long as Western companies and banks can reach agreement on commercial terms with Moscow.

With an outline deal reached on credit terms, the major outstanding unresolved issue is the gas price. Ruhrgas, the West German gas company leading these talks, said that the two sides were "still far apart."

Moscow has been negotiating credit terms for the pipeline with West German banks for more than a year.

An original deal in January for a DM 10m credit came unstuck after West German interest rates soared to historically high levels in February.

The latest round of hard-fought negotiations began in Duesseldorf on Monday between Deutsche Bank, which leads the West German banking consortium, and a Soviet delegation led by Mr Yuri Ivanov, chairman of the Foreign Trade Bank.

The Deutsche Bank said that the deal reached last night with the Russian delegation was a "necessary pre-condition" for negotiations proceeding between West German exporters and Moscow.

Precarious stability on financial markets

By Peter Riddell, Economics Correspondent

THE LONDON financial markets were last night in a state of somewhat precarious stability after a week of nervousness about sterling and interest rates.

There was no sign of any immediate increase in base lending rates by the clearing banks, and money markets were generally unchanged yesterday.

Prices of gilt-edged stocks rose for the third day, by up to £¾ at the long end.

In the foreign exchange markets sterling was slightly stronger rising 85 points against the dollar to $1.8640 for a loss of 2.15 cents on the week.

The less jittery tone was reflected both in the results of the Treasury bill issue and in the Bank of England's operations in the money markets. Both were broadly in line with the current higher level of

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market interest rates and were taken as indicating a desire for stability.

The normal £200m issue of three-month bills was sold at tender at an average discount rate of 13.75 per cent, up 0.28 per cent on a week earlier. The special £800m issue of bills maturing on September 1 was allotted at a top rate of 13.97 per cent.

The Bank will next week offer £250m of bills maturing on September 1 in addition to the usual £200m issue. The aim, similarly to this week, is to anticipate shortages which will appear on September 1 when a large amount of Petroleum Revenue Tax is paid and when delayed tax payments may be coming in if the Civil Service dispute has been settled by then.

In its daily operations the Bank supplied cash at interest rates which were intended to move up towards existing market levels. The lengthening of the duration of assistance to over a week has allowed greater flexibility, with overnight rates going above 12 per cent.

In these calmer conditions the key one-week interbank rate dropped roughly ¼ to around 13 per cent, slightly less than last Friday's closing rate.

The markets have been unsettled partly because they

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£ in New York

	July 23	Previous
Spot	$1.8540-8550	$1.8585-8600
1 month	0.85-0.92 pm	0.65-0.72 pm
3 months	2.15-2.25 pm	2.05-2.15 pm
12 months	5.50-5.70 pm	5.50-5.70pm

Phone charges to rise sharply in the Autumn

BY JASON CRISP

TELEPHONE CHARGES are to go up by nearly 10 per cent in a number of stages from the beginning of November. Domestic customers will, on average, be harder hit than businesses, but some communication charges for companies are to rise dramatically.

The cost o fmaking a local call is to increase by one-third at any time outside the cheap rate period. Cheap-rate calls are to go up only by 7.5 per cent, says British Telecom. The cost per unit is to rise and the time it buys is to decline.

The effect is that the cost of a local call per minute in the peak period will be 43 per cent higher and at the standard rate it will be 61 per cent up.

Rentals of telephone lines are also to rise sharply. Business users will pay 37.5 per cent more for each exchange line. Residential users will pay 16.7 per cent more.

It is a year since British Telecom put up its prices. The sharp increases for some services and customers are balanced by a proposed cut in the cost of trunk calls on busy routes and international calls next year.

British Telecom wants to get away from losing money on rentals and local call charges which are subsidised by very high profits on trunk and international services.

Its announcement comes shortly before the Government is due to make known how much of its monopoly in telecommunications services it will lose. British Telecom warned yesterday that if the Government licenses a competing network, there will be an "even quicker" rebalancing of tarriffs.

The most dramatic increase of all is for the connection charges of a private circuit which are to rise by an average of 250 per cent. A short distance private business circuit which used to cost £60 to have connected will cost £250 from 1 August.

The cost of leasing inland circuits is also to rise by 26 per cent. The average waiting time for a private circuit is still nine months—although this is substantially shorter than last year when it could take 18 months to two years.

Mr Michael Corby, director of the Telecommunications Users Association, said last night that he was shocked at the proposed increases for private circuits.

He added that British Telecom sought to solve its waiting list by deterring orders. He considered the proposals unreasonable because the public network was not yet suitable for data transmission.

British Telecom has offered the Post Office Users National Council (which has to be notified of any proposed increases) an alternative which would soften the rising cost of rental with fewer cuts in trunk and international charges.

The council would not comment on the proposals last night but it is likely to chose the second option as it would benefit residential users.

Last November, telephone charges were raised by an average 20 per cent partly because of sharp Government constraints on borrowing. In January that year, charges had been raised by 15.5 per cent, the first increase since October, 1975, a year in which prices nearly doubled.

PHONE CHARGES — MAJOR PROPOSED NEW RATES

	Old rate	New rate	Average* increase %
TELEPHONE CALLS (FROM NOV 2)			
Price of unit	4p	4.3p	
Time of local unit:			
Peak	2 mins	1½ mins	33†
Standard	3 mins	2 mins	33†
Cheap	9 mins	9 mins	7.5†
TELEPHONE LINE RENTALS (FROM NOV 1)			
Business	£67 p.a.	£92 p.a.	37.3
Residential	£48 p.a.	£56 p.a.	16.7
Shared	£44 p.a.	£52 p.a.	19.0
INLAND PRIVATE CIRCUITS (FROM AUG 1)			
Connection charges	£60-£100	£250-£550	250
Rentals			26

* British Telecom estimate. For telephone call charges, actual increase per minute works out at 61 per cent at standard rate and 43 per cent at peak periods.

† Combined increase of rise in price and reduction in time.

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Middle East fighting may stop, but causes are unchanged

BY ROGER MATTHEWS

THE CESSATION of hostilities betwen Israel and the Palestine Liberation Organisation (PLO) in Lebanon is fragile and ambiguous.

Israel is anxious not to use the word "ceasefire" in case it might be interpreted as recognition of the PLO. Ministers emerging from yesterday's Cabinet meeting in Jerusalem preferred to talk of "a lull"

Mr Zevulun Hammer, the Minister of Education, called it "a time-out during which we will look and see what an understanding between us and the other side means in the north."

It is as well to remember that the fundamental causes of the past fortnight of fighting in which hundreds died remain unchanged until more details are available of the considerable backstage pressures which must have been applied to reach this surprising agreement by Mr Menahem Begin, Israel's Prime Minister, and Mr Yasser Arafat, PLO chairman.

Mr Begin has not pushed back the Palestinian guerrillas in southern Lebanon so their artillery and rockets cannot hit the northern areas of Galilee. Mr Arafat has moved no closer to establishing a Palestinian state in any part of the occupied West Bank and Gaza Strip.

What may have been achieved is a brief period of respite during which the considerable efforts of Mr Philip Habib, the U.S. special envoy, can be used to find a more lasting solution.

The basis for such an understanding must lie in both sides' acceptance that neither can afford the price of its ideal solution. The past two weeks have shown how little was the long-term impact of the Israeli invasion of southern Lebanon in March 1978.

This month Palestinian militarly capability has again been dented, some of its fighters have been killed and a far larger number of Lebanese civilians have died through Israel's attempt to turn the people more violently against the guerrillas. Set against Mr Begin's declared aim of driving the Palestinians from Lebanon, this must be considered a modest achievement.

Mr Mordechai Zippori, Israel's deputy Defence Minister, yesterday was again discussing the possibility of invading southern Lebanon. He qualified the threat, however, with a warning of the "difficult international problems," this would pose for his country.

Herein lies the key to the halt in thé fighting.

In spite of his apparent disregard for Western opinion Mr Begin is aware of the strength of feeling that has built up within the U.S. Administration since the bombing attacks on Iraq's nuclear reactor and then on Beirut and the threat this is thought to pose to Western interests in the Middle East.

Mr. Habib announces the ceasefire as Mr Begin looks on.

The acceptance of Mr Habib's proposals for ending the fighting may remove the "mad bomber" label Mr Begin was gaining in Washington so soon after his award of the Nobel peace prize.

There are similar international constraints on Mr Arafat. He may claim to have been grossly provoked by Israel's initial assaults on his guerrilla positions, but he cannot maintain any freedom of action without paying close regard to the wishes of Syria and Saudi Arabia.

Both countries feared Israel was about to use its massive military superiority to impose its own Middle East solution. President Hafez al-Assad of Syria knows he could be forced into a situation in which he would be bound to fight and only the Soviet Union could possibly save him.

Saudi Arabia is aware of the radical Arab pressure developing for oil sanctions against the West which would have wrecked both its understanding with Washington and its chances of restoring order to the oil market.

Ceasefire comes into effect

REPORTS confirming that the Middle East cease-fire was in effect have been received by Dr Kurt Waldheim, the UN Secretary General. The ceasefire was announced earlier in Jerusalem by Mr Philip Habib, the U.S. peace envoy, AP reports from the United Nations.

Dr Waldheim received a message in New York on Thursday from PLO chairman Yasser Arafat saying he had given approval for a ceasefire. But Mr Arafat said his patience was running out "in the face of continued attacks."

Mr Habib announced in Jerusalem yesterday that he had just told President Reagan that as of 13.30 hours local time, "all hostile action between Lebanese and Israeli territory" would cease. No action was reported from then on.

The U.S., Saudi Arabia and Israel all want to prevent any action which would draw the Soviet Union further into the Middle East, particularly where it again became internationally accepted that Moscow's involvement was central to any comprehensive settlement.

Such global issues can have local *significance* only if the warring parties want the "lull" in the fighting to persist.

Mr Arafat is leader of the PLO, but his control over some factions is tenuous. His acceptance of a ceasefire will be interpreted as weakness by more radical Palestinians. As they control guns and rockets, they could offer Mr Begin the excuse he may still want for dealing a yet more massive blow to the Palestinians.

The only way for the hawks on each side to be undermined will be if the Reagan Administration chooses to interpret the Habib mission as an opportunity rather than an achievement in itself. Mr Habib's stature in the Middle East will have soared, but in the continued absence of an overall American policy for the region it is not an exercise he will be able to perform again so competently.

Congress told of income tax indexing plan

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT Ronald Reagan yesterday came out in support of adjusting U.S. income-tax rates automatically to inflation, by means of "indexing," after cutting them by 25 per cent by 1983. This would make his planned tax reductions "permanent.", he told Republican Congressmen on Capitol Hill.

His support for indexing, as well as bigger tax breaks for oil producers and royalty earners, marks the third round of major changes in the Reagan tax plan since it was unveiled in February.

The latest Presidential revision comes in the tense battle for votes in next week's crucial tax decision on the House floor, and is specifically aimed at winning over Conservative Democrats,

This group provided Mr Reagan's narow victory margin in the 1981-82 Budget last month. If Republicans hold solid in the House for Mr Reagan, he will still need 27 Democratic defectors to win.

Mr Reagan's switch on indexing tax rates to the consumer price index measure of inflation was not totally unexpected. After the Senate voted for indexing recently, the Administration hinted it could reluctantly accept the change. But there are Republicans who believe that indexing takes the pain out of inflation

On the other hand, many conservatives in both parties argue that indexing puts permanent and welcome pressure on public spending by putting a lid on revenue to finance it.

Meanwhile, negotiators from the Senate and House have temporarily settled the thorny issue of whether pensioners should be entitled to a minimum of social security benefits no matter how much or how little they have paid into the system. They agreed to keep the current *minimum until next February*, and then to find a way of bailing out the ailing Government pension system.

The compromise came in the continuing negotiations to settle final details of the 1981-2 Budget. Mr Reagan hopes to have this, and a tax cut bill to his liking, on his desk before Congress adjourns next month.

Canadian prime rate rises

BY VICTOR MACKIE IN OTTAWA

CANADA'S MAIN commercial banks have raised their prime lending rate to a record 21 per cent as the Canadian dollar slumped to a 48-year low against the U.S. currency.

High U.S. interest rates have put pressure on the Canadian dollar, which fell below 82 cents on Thursday, although it rallied slightly before the market closed. Funds have been attracted out of Canada in reaction also to its generally shaky economy.

Mr Allan MacEachen, the Canadian Finance Minister, has suggested that he might increase taxes in his autumn budget in order to combat the country's rising inflation.

Inflation is at a 30-year high of 12.8 per cent compared with the latest U.S. figure of only 8.8 per cent

Brigades release politician

By James Buxton in Rome

RED BRIGADES terrorists yesterday released their second kidnap victim within 12 hours. Sig Ciro Cirillo, a leading Naples Christian Democrat politician, was found at 6.20 am in the hallway of an empty building.

On Thursday, Sig Renzo Sandrucci, a 49-year-old executive with Alfa Romeo, was found in a car on the outskirts of the city. He had been held by the terrorists since early June, while Sig Cirillo, 64, was captured in April. Both had been sentenced to death.

The Red Brigades still hold a third prisoner, Sig Roberto Peci, brother of a leading terrorist who turned state's evidence. A fourth man, Sig Giuseppe Taliercio, manager of a chemical works, was found shot dead earlier this month after being held since mid-May.

The Red Brigades claim to have been paid a ransom of L.45bn (£650,000) for the release of Sig Cirillo by his family and the Christian Democrats. But the party has denied this.

His kidnapping was partly aimed at improving conditions for the victims of the Naples earthquake.

In the case of Sig Sandrucci, it may be significant that Alfa Romeo agreed with the unions last week to end the present lay-off of workers at the beginning of September. This had been attacked by the terrorists.

The benefit to the terrorists from the murder of the chemical plant manager is harder to assess. In his case they made no specific demands and his killing was followed by some of the biggest anti-terrorist demonstrations in Italy.

But the resurgence of the Red Brigades is *disheartening* for the authorities. The terrorists' grip on trade unions and their renewed hold over certain industrial plants such *as Alfa Romeo have become* a major issue for the trade unions.

On the other hand, the simultaneous holding of four prisoners caused less public stir than the kidnapping and eventual release of Judge Giovanni d'Urso at the beginning of the year.

The Press and television have deliberately given less space to the Red Brigades, reporting their communiques only briefly. But Avanti, the newspaper of the Socialist Party, has published terrorist *documents* and printed the transcript of Sig Sandrucci's trial. The Socialist Party is part of the ruling five-party coalition.

Nevertheless, in the first six months of this year the number of terrorist actions was 281—down 54 per cent on the same period of 1980. There were 10 deaths, compared with 34 in the first half of 1980. One of those acts of terrorism was the attempt to murder Pope John Paul on May 13.

Waterford chief dies

Financial Times Reporter

MR NOEL GRIFFIN, managing director of Waterford Glass and one of Ireland's leading industrialists, has drowned in a swimming accident in Ireland.

Mr Griffin, who was 54, joined Waterford as company secretary and chief executive in 1950 when the group employed only 50 people making the handblown crystal for which it is internationally known.

It now employs 7,000 people in Ireland, the UK, the U.S., Canada and Belgium.

Mr Paddy McGrath, Waterford's chairman, said yesterday that Mr Griffin had been responsible for the group's growth,

Bankruptcies in France up 22%

BY TERRY DODSWORTH IN PARIS

THE RECESSION in France took a heavy toll on companies in industry and commerce in the first half of this year. Bankruptcies rose by 22 per cent compared with the same period last year.

According to figures from Insee, the national statistical office, the crisis has bitten particularly deeply in the manufacturing sector, with an increase of 34 per cent in the *company failure rate*.

But the building industry and commerce, with bankruptcies up by 21 per cent, were also deeply affected, while the hotel and catering sectors escaped lightly with a rise of about 14 per cent.

Recent Government action to ease company finances has already acknowledged the fragility of many businesses. Almost FFr 10bn ($1.8bn) has been made available to industry through the banking system by easing some of the stringent controls on lending.

These measures were designed particularly to help the smaller companies and sub-contractors who are vulnerable to the cancellation of orders from bigger groups with larger resources. But the Insee figures indicate that the additional finance has had little effect so far, with bankruptcies running at the rate of about six a day in Paris.

With industrial production sharply down this summer compared with a year ago—in June it dropped by a little over 8 per cent against the same month last year—industry holds out slim hopes of an improvement in the near future.

Additional pressure will also be brought on company finances this autumn by the increase in the minimum wage, which will exert pressure on other salaries as well.

Socialist union backs shorter week plan

BY DAVID WHITE IN PARIS

FRANCE'S SECOND largest trade union, the independent left-wing CFDT, yesterday endorsed the preliminary agreement drawn up between *labour* and *industry* representatives for a shorter working week.

Its signature leaves the Communist-led CGT, the No. 1 union, out on its own in refusing to ratify the agreement, which provides for a cut from 40 to 39 hours and introduction of a fifth week's annual holiday.

But the CFDT also expressed reservations and said the past was only a starting-point.

The agreement follows three years of talks on changing the 40-hour system brought in for the first time 45 years ago. It has been accepted by the main employers' body, the CNPF. But the position of small and medium-sized companies was still unclear yesterday afternoon, following strong reservations from some of the federation's members about the cost of the new system.

Zambian copper strike over

By Quentin Peel

STRIKING miners on Zambia's copper belt were reported to be back at work yesterday after street clashes with paramilitary police which involved hundreds of children.

The continued unrest in the country's most important industry is understood to have led to President Kenneth Kaunda's decision to cancel his trip to London next week for the Royal wedding.

The two state-controlled mining companies, Nchanga Consolidated Copper Mines (NCCM) and Roan Consolidated Mines, reported a virtual end to the week-long strike, but police confirmed that earlier they used teargas and batons to control rioting children in the mining township at *Mindola*.

The lowest return to work was 80 per cent at the Rokana division of NCCM, where the unofficial strike began, and where on Thursday police broke up a 600-strong crowd of demonstrating mineworkers.

'High turnout' in Iranian elections

BY OUR FOREIGN STAFF

THE IRANIAN Government yesterday announced that there had been an "extraordinary" turnout for elections to provide a successor to Mr Abolhassan Bani-Sadr, the disgraced ex-president. This reflects acute anxiety by the clergy-dominated government that voters would heed a call by the major opposition movement, apparently supported by Mr Bani-Sadr, to boycott the presidential elections.

Tehran radio announced yesterday that polling stations would be open for an extra two hours because of the "unprecedented enthusiasm" of voters. Iran's Prime Minister, Mr Mohammed Ali Rajai, is considered certain to be elected.

He is the candidate of the dominant Islamic Republican Party (IRP) and has the blessing of Ayatollah Khomeini, the spiritual leader of the Iranian revolution. Mr Rajai's election would further strengthen the control of the clergy, which dominates the IRP, over Iran's political institutions.

The elections are being held in an atmosphere of fear and violence which the Government has attributed to the undergroup Mojahedin-e-Khalq, the fundamentalist group with strong Left-wing leanings that has emerged as the major opposition to the clergy and the IRP.

Reagan supports CIA chief

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT REAGAN yesterday expressed "full confidence" in the director of the Central Intelligence Agency, Mr William Casey.

The President's public backing for his CIA director came after Senator Barry Goldwater, the influential chairman of the Senate Intelligence Committee, called for Mr Casey's resignation or dismissal for having appointed Mr Max Hugel the nation's spymaster.

Mr Hugel, a New York businesman and Reagan campaign worker, resigned last week amid allegations that he had engaged in shady stock market practices in the mid-1970s. He had He has denied the allegations. Hehas denied the allegations.

Senator Goldwater said the very fact that Mr Casey had appointed an inexperienced man to be "in effect the nation's top *spy*" was bad enough—if not dangerous. But the intelligence committee was also investigating some apparent "inconsistencies" and discrepancies in Mr Casey's accounts of his involvement in a New Orleans food company.

The child 'slaves' in Italy

By James Buxton in Rome

At nine years old, Pasquale Albergo of Altamura, southern Italy, has already started working life, looking after his father's sheep.

SALAVTORE Cozzolino, aged eight, lost his right forearm in a planing machine at a sawmill in Naples where he had been working for two months. He had to work as his father had ten children to support. After the accident, he went back to school where he was failed on account of "poor handwriting."

That gruesome little story is told in a new report on child labour in Italy by the Anti-Slavery Society. The report suggests that more than 1.5m Italian children, usually between the ages of 12 and 15 but sometimes as young as the unfortunate Salvatore Cozzolino, are earnings a pittance working illegally for up to 60 hours a week, often at dangerous and unhealthy occupations.

Italian children between 13 and 15 are legally permitted to work at certain light occupations, though they must stay at school till they are 14. If they work, they should first be checked by a doctor for their *fitness to do so and then have* regular medical examinations.

Like many Italian laws, however, this one is little enforced and the number of prosecutions for breaking it is tiny. There are too few inspectors and those who do try to investigate cases of child labour usually meet a conspiracy of terrified silence between the child and his family.

Yet the whole subject of child labour in Italy is only controversial in that it contrasts to the claims of the London-based Anti-Slavery Society and other such bodies. The government maintains that only about 100,000 children are illegally employed in a few poor areas and that the problem is diminishing. The Anti-Slavery Society believes the numbers are many times greater and that the problem is growing.

Child labour is not much debated in Italy. It is an accepted part of life in certain parts of the country, most obviously Naples, and for a certain type of poor Italian family, almost exclusively with origins in the south of the country.

No one knows what the true figures for illegal child employment are, as no comprehensive survey of the issue has ever been attempted. Probably it would be a hopeless task. The unofficial consensus of most experts however is that at least half a million Italian children work illegally, and the figure may, as this report suggests, be much higher.

The fact that child labour is widespread in southern Italy is hardly *surprising*, considering that modern industrial development has only come to this backward corner of Europe in the past 35 years. But the Anti-Slavery Society's most disturbing claim is that child labour is actually increasing in the northern cities of Milan, Genoa and Turin which comprise Italy's industrial power house. The report even implies that much of the recent dynamism of the Italian economy may have been partly built on it.

Fewer children, the report believes, now work in visible jobs in restaurants and bars. More, however, are working in clandestine workshops or are turning out individual products across the kitchen table at home. This is the submerged economy, which may account for as much as 20 per cent of Italy's GNP.

It received a boost at the beginning of the 1970s when various state controls and the stricter enforcement of legislation strongly protecting Italian labour and trade unions cramped the manufacturing styles of the larger companies and enormously pushed up their labour costs. In the north in particular, many companies responded by decentralising and set up very small plants exempt from trade union membership and able to elude most government controls, including VAT and social security charges.

A large number then went further, subcontracting more and more manufacturing work to outworkers operating at home or in tiny workshops. A chain of cheap production was built up, enabling Italy to export many items more competitively in the second half of the seventies.

The Anti-Slavery Society contends that this subcontracting system relies heavily on child labour. Among many examples, it quotes an Italian publication as saying in 1977: "At Lumezzane, in the province of Brescia (near Milan), nearly all children going to school work at home. In the afternoons assembling mechanical parts

In the south, especially in Naples, child labour is more obvious. Many children are employed in glove and shoes factories, large numbers of which are underground or in basements without natural light. In the unventilated atmosphere children inhale the fumes of glue and many contract the often incurable nerve disease polyneuritis.

When people talk of Italy having "rushed into underdevelopment," they mean that it has become a modern industrial state while fortifying some of the bad old ways of the past. Child labour exemplifies this phenomenon.

Meat ration for Poles reduced

By Christopher Bobinski in Warsaw

FALLING MEAT production and shortages of hard currency for imports have forced the Polish authorities to reduce meat rations by an average 20 per cent. The reductions will start on August 1.

The Ministry for Internal Trade estimates that the shortage *in August and September* will reach 15,000 tonnes, and that monthly supplies of 143,000 tonnes would be needed to cover the present ration allocations.

Miners, children, and the chronically ill will not be affected, but the five kilos of meat a month for workers in hard conditions is to be cut to four kilos.

The ration for people in rural areas is to be cut from two kilos a month to 1.6 kilos. The 16m entitled to 3.7 kilos a month will get three kilos.

Reuter reports: Solidarity, the independent free trade union, condemned the decision to reduce meat rations. Food supplies were a main item on the agenda yesterday at a meeting of its national commission.

Proposals to increase food prices by between 200 and 400 per cent were also to be discused.

U.S. to hold grain talks

By David Buchan in Washington

THE U.S. and the Soviet Union will hold exploratory talks in Vienna in early August on future U.S. grain sales after their present five-year grain agreement expires on September 30, it was announced here yesterday.

President Ronald Reagan's move in April to scrap the partial ban which Mr Jimmy Carter imposed on U.S. grain exports to the Soviets stirred controversy among European allies, which saw it as varying *the Administration's* otherwise hard-line approach to Moscow. The same allies may take it amiss if the U.S. resumes grain sales when they are being urged by Washington to curb their high-technology exports to the Soviet Union.

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Upturn in economy may bypass N. Ireland

By Our Belfast Correspondent

A SURVEY of economic prospects in Northern Ireland questions whether the province will be able to respond to an upturn in the UK economy.

The survey, published yesterday by Coopers and Lybrand Management Consultants, also predicts that Northern Ireland's unemployment rate will rise from 18.8 per cent to 21.5 per cent. The latter figure would represent 125,000 people being out of work.

The province's probable response to national economic change was a cause for concern, it said. Its manufacturing base had significantly contracted and was still vulnerable. There was constant pressure on the public expenditure which had been a major source of economic growth in the past.

The survey highlighted the low level of job creation. The Northern Ireland Department of Commerce in the year to last March 31 secured the promise of 3,305 jobs through new investment — "the lowest figure for some years."

Troubled image

Latest Government figures show that only 1,700 jobs were secured in the first quarter of this year, compared with 4,000 in the same period in 1980. The Coopers and Lybrand's survey blamed Northern Ireland's troubled image and the recession affecting "target countries" from which new investment might normally be expected.

Mr Noel Stewart, senior partner in Coopers and Lybrand, said he believed there had been a gradual withdrawal of investment from Northern Ireland by UK companies.

It was partly due to a reaction in the UK against what is seen both sides of the political divide as intransigence on the part of in Ulster, he said. There was also greater competition from the growth of industrial development efforts throughout the UK.

Mr Stewart who is president of the Institute of Chartered Accountants in Ireland, said it would not be possible to recover the number of jobs which had been lost in the province in the last 10 years.

"The political instability must be resolved, otherwise our economy will get so bad that no amount of capital investment will retrieve the situation," he said.

"Unless we resolve our problems, I fear the deterioration will reach such proportions that many of us will spend the rest of our lives on social welfare. Even those in work will see their standard of living decline."

● The International Committee of the Red Cross will resume visiting prisoners in the Maze Prison within a few months, the all-Swiss committee said yesterday in Geneva.

Heseltine backs Mersey trade centre

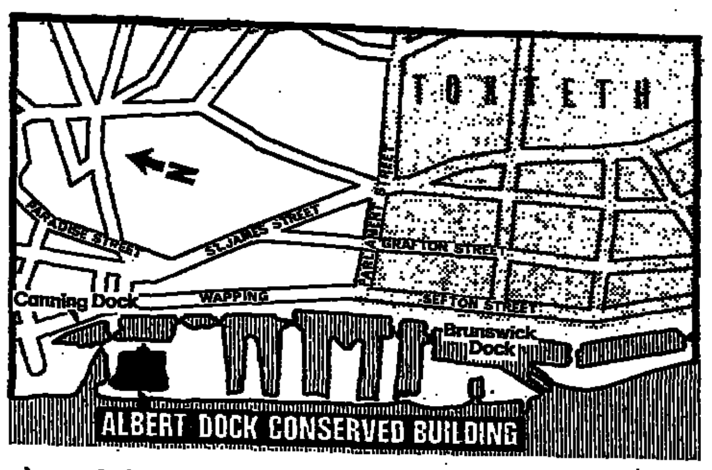
BY ANDREW TAYLOR

PLANS to build a multi-million-pound trade centre a few miles from where there was rioting this month in the Toxteth area of Liverpool were approved in principle yesterday by Mr Michael Heseltine, the Environment Secretary.

A trade, industry and export centre covering more than 1m sq ft is proposed for the former Albert Dock, part of the South Dock complex on Merseyside, closed in 1972.

The scheme was put forward by Gerald Zisman Associates, representing a "consortium of businessmen," which is negotiating to acquire a long lease on the Albert Dock site, owned by the Mersey Dock and Harbour Company.

Mr Heseltine, on a fact-finding mission in Liverpool following the Toxteth riots, said yesterday that he supported plans for a trade centre, but wanted further details of the scheme before giving permission for filling in the Albert Dock basin.



He accepted the principle that the basin should be filled in. His decision is in line with recommendations by Mr. Michael Montague-Smith, inspector at a public inquiry into plans for the dock earlier this year.

Zisman Associates is expected to seek detailed planning permission. This involves retention and refurbishment of the complex of warehouses round the dock basin.

Planning approval has been complicated, as Albert Dock is classed as a Grade I listed building of historical interest.

Zisman yesterday declined to say who its partners were, but: "We would not have come this far if funding was not available." The scheme would provide much-needed jobs

Speedy redevelopment of the site is seen as vital by Merseyside Development Corporation, the New Town-style authority established to mastermind regeneration of Merseyside's dockland.

Mr Heseltine said that the corporation was now responsible for local planning and listed building matters. He hoped that outstanding issues in this respect at Albert Dock would be resolved by the corporation and Zisman as soon as possible.

Gas pipeline fault-finder hired to Dutch

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH GAS has obtained the first overseas contract for its early warning system developed to find potentially serious faults in the UK's high-pressure natural gas grid.

Gas Unie, the state-owned Dutch natural gas supplier, has hired the British Gas on-line inspection centre to examine a 24 in high-pressure pipeline in southern Holland, using a £300,000 robot developed in Britain.

The British Gas robot will be searching the 112 km Dutch pipe for flaws which, if neglected, could lead to a blow-out.

Since 1974, at a cost put at £47m at current prices, the corporation has developed a highly automated inspection system for the 10,000 miles of high-pressure pipeline forming the national gas grid in Britain. Most of the cash has been committed since 1978,

Surveillance of the walls of the buried pipeline is being carried out by mobile robots known as "intelligent pigs," driven along inside the pipe by gas pressure without interrupting the supply.

The pig, an advanced technology package which can weigh as much as three tons for bigger pipelines, pinpoints corrosion pockmarks, dents and deep scratches, inside or out, to within about 10 ft on a 50-mile stretch of pipeline.

The magnetic sensors aboard the inspection vehicle produce a deluge of data on the pipeline's characteristics and condition. This is organised and tape-recorded aboard the moving robot by a minicomputer.

The records are later examined by a computer at the new on-line inspection centre at Cramlington near Newcastle-upon-Tyne.

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Four bus operators face efficiency investigations

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

AN EFFICIENCY audit of the running of four large provincial bus operators is to be carried out by the Monopolies and Mergers Commission under the Government's new Competition Act.

Announced yesterday by Mrs Sally Oppenheim, Consumer Affairs Minister, it will be the fourth inquiry into a public sector body carried out under the Act.

The terms of reference are expected to be announced within the next few weeks at the same time as the bus operators are formally referred to the commission.

The four operators involved are: the City of Cardiff Transport, the West Midlands Passenger Transport Executive, and two National Bus Company subsidiaries, the Bristol Omnibus Company and the Trent Motor Traction Company.

The investigation will be the first comprehensive review of the efficiency of the three types of public bus operators in the UK. The commission will be asked to evluate the operators' efficiency in supplying bus services and to assess their use of manpower, maintenance procedures and investment planning.

In addition, the comission will determine whether any of the operators are abusing their monopoly position in the market.

The four operators chosen for the investigation were not singled out for particular faults, but because they represented a wide cross-section of bus operators in the UK. This will enable the commission to make comparisons between different types of undertakings operating in broadly similar areas.

The investigation follows changes made in the 1980 Transport Act to improve competition in the provision of bus services.

The Commission's investigation is due to take six months to complete, but this can be extended to nine months if necessary.

MPs seek broader input for Welsh fourth channel

BY GARETH GRIFFITHS

SOME PROGRAMMES for the Welsh language fourth television channel should be made by independent television companies from outside Wales, a committee of MPs recommends.

This would provide comparisons of programme costs for the channel, which will start broadcasting in the autumn of 1982.

The House of Commons Welsh Affairs select committee, which yesterday published its report on Welsh language broadcasting, says the £20m allocated for the channel start-up to the end of 1983 should not be regarded as "an immutable indicator of the level of annual expenditure

The report says other ITV contractors as well as Harlech Television (whose franchise area includes Wales) should make programmes for the Welsh fourth channel.

Second Report from the Committee on Welsh Affairs. House of Commons Paper 448. Broadcasting in the Welsh Language and the implications for Welsh and non-Welsh-speaking viewers and listeners.

Chemical industry seeks cuts in electricity prices

BY SUE CAMERON, CHEMICALS CORRESPONDENT

UK CHEMICAL manufacturers are paying an average 64 per cent more for electricity than competitors in France, the Chemical Industries Association said yesterday.

A report by the association says prices to chemical-producers are about 41 per cent higher than in West Germany and about 14 per cent higher on average than in Italy.

Those consuming large quantities of electricity are at even greater disadvantage than these figures suggest, compared with Continental competitors.

The Government should take steps which include:

● Reviewing urgently the bulk-supply tariff to properly reflect the true cost to high-load factor customers.

● Improving the supply industry's efficiency.

● Cutting coal costs to the electricity-supply industry by allowing greater coal imports and by subsidising indigenous coal supplies to the Central Electricity Generating Board.

● Increasing consultation between the electricity-supply industry and major users.

Heath urges new policy on Third World aid

BY IVOR OWEN

A CHANGE in the Government's attitude toward aid to developing countries was demanded by Mr Edward Heath, former Prime Minister, in the Commons yesterday.

He pointed to the "blackballing" of Sir Geoffrey Howe, Chancellor of the Exchequer, when he sought chairmanship of an important policy-making committee of the International Monetary Fund at the Gabon Conference in May as an example of the damage caused in recent months to Britain's standing.

Mr Heath, a co-author of the Brandt Report, which calls for a drive to narrow the gap between the rich and poor countries of the world, accused the Chancellor and his Treasury colleagues of showing no interest in the problem.

Warning that help for developing countries could not be left to market forces, he made no direct reference to the Prime Minister.

It was Mr Denis Healey, deputy leader of the Opposition, who recalled that Mrs Thatcher had recently likened foreign aid to a "handout."

He described this as a scandalous attitude,

Mr Douglas Hurd, Foreign Office Minister of State, said that if Mrs Thatcher "believed purely in market forces, she would not preside over a Government which will spend more than £1bn on foreign aid this year."

Sir Ian Gilmour, deputy Foreign Secretary, who opened the debate, stressed that Britain gave a higher percentage of overseas aid to the poorest countries than did any other nation.

Lord Robbins opposes reflation call

By Ivor Owen

FIRM BACKING for the Prime Minister's refusal to be pressurised into reflation was given in the House of Lords yesterday by Lord Robbins, the economist.

Speaking from the cross-benches in a debate on the Finance Bill, he said there was no superior alternative to the general economic objectives set by the Government.

Although he admitted he had been mistaken in opposing calls for reflationary policies in the 1930s, he said: "Our position now is radically different."

Lord Cockfield, Treasury Minister of State, said the policies of the 1950s, 1960s and 1970s were ones of proven failure.

Lord Bruce of Donington, for the Opposition, questioned a claim by the minister that the rate of inflation was still falling.

More information urged on public spending plans

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

IMPROVEMENTS IN the amount of information about public spending plans given to Parliament and the public have been urged by the all-party Treasury and Civil Service Committee of the House of Commons.

The committee, chaired by Mr Edward du Cann, the Conservative MP for Taunton, calls for a number of changes in the form of the annual estimates presented to Parliament. This follows discussions between the committee and the Treasury. Most of the proposals are agreed.

The committee seeks:

● A three-year run of comparable spending figures.

● The provision of volume in addition to cash figures, giving a guide to changes in services, where possible.

● Further information explaining the contents of the policy objectives of separate estimates.

● A reduction in the number of subheads (or detailed estimates) so that spending can be grouped together where separate items are small.

● The provision of most of the requested information in the estimates rather than the parallel spending White Paper.

The main difference with the Treasury concerns the distinction between price and volume.

The committee does not accept that the Treasury's preference for cash justifies the withholding from Parliament of information about the level of services and price assumptions implicit in the estimates which Parliament judges that it needs

Sixth Report from the Treasury and Civil Service Committee, Session 1980-81, The Form of the Estimates, House of Commons Paper 325. Price £3.90.

Explosion averted at Shoreham harbour

By Andrew Fisher and Sue Cameron

Sussex firemen yesterday averted a potential explosion in Shoreham harbour by pumping nitrogen into a Dutch freighter carrying chemicals which had begun leaking.

The leak — the extent and cause of which are still not known — came from one or more drums of toluene, destined for Iran via the Turkish port of Samsun on the Black Sea.

Several hundred people were evacuated from the harbour area of the West Sussex town after the 3,000 deadweight ton ship anchored.

Lloyd's Bill move

A PROCEDURAL Commons motion will be introduced on Monday, designed to prevent the controversial Lloyd's Bill being killed off if it fails to complete all its stages in the current parliamentary session.

The motion would permit the Bill to be carried over to the next session—provided that it is unaltered.

A single objection could prevent the approval of that procedural motion.

Thorn wins order

THE MINISTRY of Defence has awarded Thorn Automation a production contract worth eventually up to £14m for an alarm system designed to detect the presence of incapacitating gases and other toxic substances.

It was announced yesterday by Lord Trenchard, Minister for Defence Procurement, when he opened a new Thorn Automation factory in Nottingham. He said the system had good export prospects.

Younger managers

THE BRITISH manager is younger, better qualified and works longer hours than his predecessors.

A survey of more than 1,000 members of the Institute of Management has found also that they tend to have a high level of job satisfaction and are opposed to extensive Government controls.

Rolls-Royce cuts

The slump in world airliner orders has resulted in Rolls-Royce putting 330 workers in its Derby precision castings factory on a four-day week from Monday. It is a temporary measure.

A week ago, Rolls-Royce said it had told its suppliers that it planned to cut output of its RB-211 engines, because of a decline in new orders for Boeing 747 Jumbo jets and Lockheed TriStars.

Fees for authors

DRAFT PROPOSALS for payment of fees to authors whose books are borrowed from libraries were assured by the Government yesterday.

The scheme may cost £2m a year.

Xerox seeks sites

RANK XEROX is looking for High Street sites in British towns for office automation stores, following the establishment of three stores in central London over the past nine months.

Footwear jobs hit

THE WARD WHITE group yesterday announced 86 redundancies at Lord and Sharman, its Wigan-based footwear subsidiary.

Lord and Sharman is streamlining its production line in the hope of becoming more competitive, especially against low-cost imports.

'No future' in shale

THE ENERGY Department has discounted the possibility of oil shales contributing significantly to future UK fuel consumption.

Mr Hamish Gray, Energy Minister, told the Commons yesterday that research into the use of domestic oil shale reserves would not be commercially justified. The decision followed a study conducted by the Institute of Geological Sciences.

Government agrees to 13.2% pay rise for the police

BY PAULINE CLARK, LABOUR STAFF

THE GOVERNMENT yesterday agreed to a 13.2 per cent rise for Britain's police.

The move may add to the Government's difficulties in achieving acceptance of low single-figure settlements in the new public sector wage round this winter.

The decision to meet in full the outcome this year of the police pay formula, introduced as a result of the 1978 Edmund Davies report, coincides with the announcement to union leaders of Britain's 36,000 firemen that their index-linked pay formula would be honoured this winter.

Firemen can now expect to receive a single figure pay increase in November when their next settlement is due. But this is likely to be considerably higher than the level expected to be set by the new Government cash limit ceiling for public sector wage rises.

Public sector trade unions last year gave assurances that the 18.8 per cent settlement for firemen would not be seen as a precedent. Nevertheless, ambulancemen will continue to seek emergency status this year, alongside the police and firemen, and a pay settlement to recognise that position.

Last year, the police received a rise of over 21 per cent as a result of the Edmund Davies formula. It emphasised that police were in a special position because they are not allowed to strike.

Since then the Government has come under some pressure to seek ways of varying the formula.

The rise to date from September gives a constable with less than a year's service £5,610 rising to £8,884, and a chief superintendent between £16,830 and £18,002 a year.

Firemen's union leaders yesterday withdrew their long-standing strike threat following agreement by local authority employers to restore their index-linked pay formula.

Mr Ken Cameron, general secretary of the Fire Brigades Union, said he was "delighted" with the outcome of a meeting yesterday with employers. He believed the decision could lead to good industrial relations in the service.

The union threatened strike action earlier this year after the employers' unilateral withdrawal from the formula agreement last February when Conservatives were in control on the employers' side.

But the union delayed action in view of a change in the negotiating team of the employers after Labour victories in last May's local authority elections.

Revenue staff set to reject pay offer

BY PHILIP BASSETT, LABOUR STAFF

THE INLAND Revenue Staff Federation seems set to become the first union in the Civil Service to reject the Government's improved pay offer to its 530,000 white-collar staff, although early voting returns in the three largest unions in the service are all showing acceptances.

If the early voting pattern continues through a series of union meetings planned for next week, it could finally rule out the possibility of joint all-out strike action in the service and could bring to an end the 22-week pay dispute.

The offer being voted on at local level meetings includes a 7½ per cent pay increase for this year, negotiations for next year's pay deal free from preset cash limits and supported by access to arbitration, as well as the establishment of an inquiry into future pay determination in the service.

Many union officials expect that the Revenue federation could be the only union of the nine in the Council of Civil Service Unions to reject the offer, albeit narrowly, and vote for an all-out strike. This is in spite of the fact that the union's executive, like all but two others in the service, put the offer to its members with no recommendation.

The union still has a small number of meetings to conduct next week, but yesterday's final available voting tally showed 17,929 (52.2 per cent) against the offer, with 16,410 in favour. Key meetings yesterday included those at the two pay as you earn and national insurance computer centres, which have been halted virtually since the campaign of strikes began in March.

At Shipley in Yorkshire, the vote was 214 against the offer and 146 in favour, and at Cumbernauld in Scotland 294 voted to reject it, with only 10 in favour.

Other crucial meetings included Leeds (rejected 500 to 376) and London (accepted 1,487 to 1,242).

Voting in the largest union in the service, the clerical Civil and Public Services Association after 160 out of 850 due branch votes was 11,272 (61.6 per cent) for the offer and 7,015 (38.4 per cent) against.

TUC warns of strikes if gas showrooms are sold

BY JOHN LLOYD, LABOUR CORRESPONDENT

SENIOR UNION leaders warned the Chancellor of the Exchequer yesterday that there could be a "long hard cold dry winter" if the Government went ahead with plans to sell the 900 British Gas showrooms over the next five years.

A 13-strong delegation from the TUC's nationalised industries committee—headed by its chairman, Mr Frank Chapple, general secretary of the Electrical and Plumbing Trades Union—told Sir Geoffrey Howe that any intention to bring in privatisation measures in the public sector would meet "the united opposition of the entire trades union movement."

The proposed sale of gas showrooms, which provoked a one-day national stoppage earlier this week, is the most immediate issue facing the unions. Mr Chapple pledged support from his members in electricity supply for any future actoin taken by the gas unions.

A member of the delegation, Mr David Basnett—whose General and Municipal Workers Union is the largest union in the industry—forecast a loss of 30,000 jobs if the Government's plans went ahead. He warned that the next strike would be "longer than one day."

The TUC called for the meeting at the Treasury in response to a speech made by Sir Geoffrey Howe on July 1 to the Right-wing Selsdon Group.

Sir Geoffrey had said then that "the case for introducing as many as possible of the disciplines of competitive private ownership (into the public sector) wherever possible is even stronger than it seemed when we first came into Government."

In a background note for the meeting, the TUC said: 'It is time that the Government stopped its manifesto-style attacks on pubic enterprise."

Mr Chapple said that the Government had no mandate for the proposed sweeping changes which were being undertaken for "doctrinaire" reasons.

Foot backs call to give TUC key role in a Labour Government

Murray launches document on economic issues, John Lloyd reports

YESTERDAY'S LAUNCH of the TUC-Labour Party document entitled Economic Issues facing the next Labour Government was chaired and dominated by Mr Len Murray, TUC general secretary.

Mr Michael Foot, the Labour Party leader, agreed with everything Mr Murray said. Mr Murray however took public issue on something Mr Foot agreed with. He effectively closed the launch with the observation he had another meeting and left Mr Foot to comment wryly he had nothing to do for the rest of the day.

Such was the style of the document's launch. Its substance, and the gloss put on it by Mr Murray and Mr Foot, confirmed the first impression. One of the two significant departures in the document is the central place granted to the TUC in a Labour Government.

This reflects the view (held not only by the TUC) that the breakdown in the social contract in the 1978-79 winter of discontent flowed from an insufficiently close relationship between the two wings of the Labour movement.

The mechanism for assuring the TUC of its central position will be via what the document calls "a national economic assessment . . . involving such key issues as the use of resources between personal consumption, public and private investment, public services and the balance of trade."

Mr Murray amplified this yesterday. He said the TUC had examined how the unions could be involved in the annual Public Expenditure Survey Committee process by which government expenditure is reviewed. He said: "This would involve the trade unions very much in trying to sort out our own priorities."

Mr Foot, less precisely, talked of an annual assessment "on a much more deliberate basis than before," which then would be put to Parliament in the normal way (and presumably would be embodied in budgets).

Though radical, this move, as Mr Murray said, builds on abortive steps taken in that direction towards the end of the last Labour Government's life. It would increase the union's power enormously but it would increase their responsibility even more.

As party officials have said, a programme agreed by the TUC during a Labour Government could scarcely be repudiated by the unions as being contrary to their interests.

The incomes policy question is left largely unanswered in the document. Mr Murray dismissed enquiries as to its whereabouts as "hoary." Mr Foot indicated as evidence of intent the national economic assessment and formulations such as "negotiators . . . should take into account the need to secure efficiency in the use of resources and have regard to the impact of settlements on prices."

One problem is that the unions and the party are split on an incomes policy. Many on the Left are not prepared to see one, and large unions such as the transport workers and the public employees are hostile to the idea. This trend could be strengthened at this year's TUC.

Mr Murray's formula is that "there is nothing incompatible between vigorous free collective bargaining and an agreement with the Government on the use of resources."

A second reason for the absence of an incomes policy is the publicly stated one, and it markst the second significant departure in the document. It assumes that agreement between the two wings will be at a higher level this time; that planning measures, meshed in with a wide extension of industrial democracy at every level, will transform relationships and allow a new sort of social contract to emerge.

Here much more detailed work is being done by a subcommittee of the liaison committee, due to report next year. In the present climate, with the transport union recently having reversed its commitment to industrial democracy and with little active interest expressed elsewhere, the proposals seem abstract. In a year's time they may have gathered more momentum and support.

Two other features of the paper are its position on imports and trade and its plans for financing the public sector.

On the first, it is more positively in favour of import controls than the party has been before, at least in practice. It says a limit to the growth of manufactured imports "is essential to protect both existing and new industries, and the economy as expansion takes place."

The preferred approach here is called planned trade. This would include attempts not to discriminate against imports from Third World countries. Simultaneous reintroduction of exchange controls and pressure for international agreements to regulate speculative flows of "footloose funds" are also proposed.

Common Market membership is not broached in the paper. While the party favours withdrawal the TUC wants a referendum. Mr. Foot said both party and unions were moving towards withdrawal. Judging from the number of resolutions for the TUC Congress urging that course he may well be right.

On investment the document proposes a national investment bank, agreements with the lending institutions and greater control over pension funds and other financial institutions.

The object, as the document states, is to "ensure that the City cannot throw up obstacles to our plan for expansion."

THE WEEK IN THE MARKETS

Holding the Base Rate line

LONDON

ONLOOKER

The action in the London financial markets this week has been dominated by the continuing weakness of sterling, and the threat of higher interest rates. The Bank of England has played a central role, no doubt under the watchful eye of its political masters.

A rise in interest rates would be acutely embarrassing both to the Government and the clearing banks. They are currently in the middle of their interim reporting season, and are not exactly telling a story of hard times.

But the pressures are there for all to see. For instance, three-month interbank rate rose by nearly half a point on the week to around 14¼ per cent, which compares with about 12¾ per cent at the beginning of the month.

So far, at any rate, the Bank of England has managed to keep the lid on. It has been obliged to give some support to sterling, an action which automatically tightens money rates in London as pounds are taken out of the market place. But it has managed to offset this by active intervention in the money markets. The Bank has been feeding money to the discount houses at little more than 12 per cent—rates which clearly signal its desire to cool things down.

It is much harder to hold rates donw on slightly longer-dated money. Yields on one month to one-year money are pushing up around 14¼ per cent, and even a week out rates are pushing over 13 per cent. This is the sort of level at which one could expect to see a growing volume of "round tripping" — which is what happens when it becomes profitable for prime borrowers to take money from their bank on overdraft and immediately deposit it in the money markets. For obvious reasons the authorities do not like this practice one little bit, and nor do the clearing banks.

On Monday and Tuesday, it rather looked as though the Bank was fighting a losing battle. But then the clouds began to lift a little. On Wednesday the pound rallied a shade, and with yields on longer dated stock getting up towards 16 per cent, a sharp bear squeeze developed in the gilt edged market with rises of 1½ points at the long end. This just happened to coincide with the payment of nearly £500m gross of gilt edged dividends.

Equities gingerly followed the lead of the bond market. And by the end of the week, the Bank still seemed to be holding the line.

However there is still a great deal of uncertainty in the air. The gilt edged market does not usually turn on its tracks under its own steam: rather, it tends to be moved by some specific event, generally involving the Government Broker.

Although bond yields have edged down a little from their recent highs, they still offer an enormously higher current return than is available on an equity portfolio. Another worry for share prices concerns the outlook for company profits and dividends, with the much vaunted economic recovery still looking as elusive as ever.

In addition, there are many other calls on instiutional funds. This week alone, the Hanson rights issue and the Government's placing of its British Sugar share siphoned out nearly £90m.

Hanson rights

Hanson Trust, the fast-growing industrial conglomerate headed by Sir James Hanson, has been very active in the field of acquisitions lately and the £43.8m rights issue of convertible loan stock it launched on Tuesday suggests the pace will be maintained.

So far this year, the company has spent £74m on the U.S. cement, footwear and hand tools group, McDonough, made unsuccessful bids for G. H. Downing and Central Manufacturing and Trading in the UK and built up a 14.92 per cent stake in the battery maker, Berec.

However, Hanson has also been building up its liquidity. It has raised $50m in convertible bonds in the past year and, with its cash balances of £60m and the proceeds from the rights issue, its net debt will be negligible.

It is thus in a position of maximum flexibility in the event of a really big acquisition opportunity coming along. Immediately following the announcement of the rights issue, speculation centred on the possibility of a full bid for Berec and the Berec shares rose slightly to 90p where its market capitalisation is £59.4m.

Hanson directors remain noncommittal on their plans with respect to Berec but they say they intend to pursue their long-established policies of growing both organically and by acquisition in both the U.S. and the UK.

That should be good news for shareholders. Most of Hanson's acquisitions have been extremely successful. In the U.S., for example, where it has made several major purchases in the past few years, profits have grown from £3.6m in 1974 to £18.6m last year, half the group total.

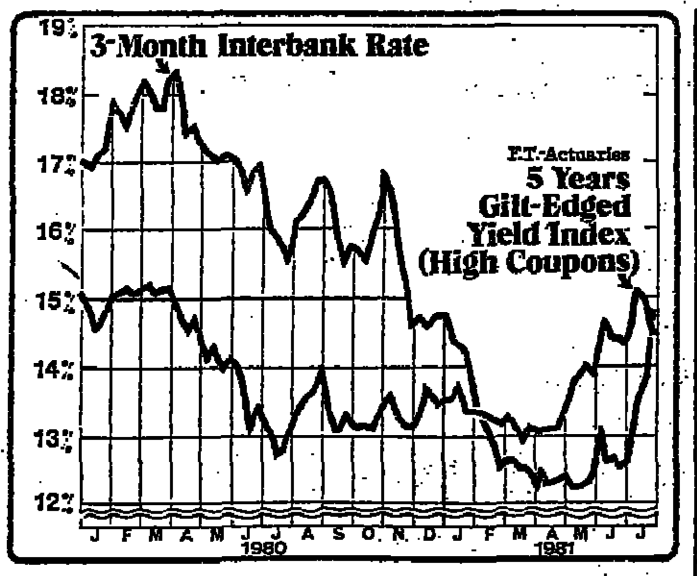
The shares fell 10p to 266p on the news of the rights issue but climbed back later in the week to 274p. This is only 6p short of the 280p conversion price on the new loan stock, which suggests the stock will get a better market reception than most previous convertibles this year.

Dowty slumps

One of the apparent mysteries in the stock market during the wek was the big slump in Dowty shares after a mere £1.7m fall in pre-tax profits to £36.2m for the year ended March 31 last. This, after all, is a time when even engineers like Dowty are generally acknowledge to be very well managed, are running hard just to stand still.

Yet to some extent, Dowty's track record was working against it. Operating profits growth in the previous five years had averaged 31 per cent so the recent reverse can be seen as doubly emphatic. The group, too, is operating in many fashionable areas. Coal is back as an investment magnet, aerospace engineers can do no wrong and the railways, to which the group supplies hydraulics, seals and servo equipment are to be electrified. Growth was assured, or so it seemed.

Many of the optimistic stock market projections still have an authentic ring The Tornado programme is now in full spate and profits from the aerospace divisions jumped by £7.5m to £23.85m. There should be a lot more orders in the pipeline although Dowty's involvement in civil aviation and missile projects is somewhat limited.



But coal mining equipment division has found it hard to replace the big Chinese contracts completed last summer. The National Coal Board, juggling its schedules from one financial year to another to stay inside its cash limits, was hardly in a position to compensate. The mining division shortfall offset the aerospace advance.

Encouragingly, the group sees signs of an upturn in industrial products where some restocking is evident and Dowty expects to win further export orders for railway marshalling equipment.

So Dowty expects "to improve our position during the current year" and all too few engineers can say the same. But it does not necessarily add up to the dramatic growth the fully taxed historic p/e of more than 21 had been demanding at the beginning of the week.

Law Land stumped

The directors of Law Land cannot know what has bit them. Little more than a week ago, they received what must have appeared an outrageous takeover bid from a far smaller property company, Churchbury Estates. A few days later, Churchbury marginally improved its terms. And Law Land scarcely had time to rush out its defence document when—presto—late on Thursday night Churchbury was claiming victory, with just over 50 per cent of Law Land's shares under its belt.

There are two explanations for thsi whirlwind affair. One is that the institutional shareholders of Law Land had become fed up with their company's indifferent performance over the years, and had been thinking about the need for change. The second lies in the personality of Mr Oliver Marriott, Churchbury's chairman. His track record in the sector is notall that extensive, but he is held in high regard by som einfluential investors.

The share price of Law Land stood well below its net asset value before the bid, whereas Churchbury's actually stood at a fat premium. Mr Marriott was able to persuade shareholders that he could do the necessary at Law Land, and that it was worth their while to hand over their assets on the cheap in order to bring him in.

However, it is one thing to have a large element of goodwill in your share price when your market capitalisation is under £12m. It is quite another when your market value is nearer £60m, as will be the case after the Law Land deal. Mr Marriott may indeed be able to work wonders with his much bigger assets base, but there seems bound to be a period of indigestion while the market absorbs all that new Churchbury paper. That is why the shares in both companies fell back yesterday.

MFI caution

The wunderkind image of MFI has ben heavily tarnished over the past year and it is a mark of the City's more cautious approach to the company that Thursday's announcement of a 27.5 per cent fall in profits before tax for the year to May sent the shares up 2p to 62p.

The profits of £12.2m were struck after interest charges of over £3m and revenue costs of £1m on the integration of Status Discount. MFI claims to be unable to strip out the old Status stores from the enlarged group figures, so comparisons with the previous year are hazardous. The dilution arising from the acquisition left earnings per share down 45 per cent, adjusting for a change in tax treatment, and shareholders will have to make up their own minds about the wisdom of the deal.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1981 High	1981 Low	
F.T. Ind. Ord. Index	520.2	− 3.5	597.3	446.0	Interest in special situations
Arbuthnot Latham	280	−20	355	234	Suspension of two directors
Arlington Motor	84xd	−28½	116	84	Profit slump/dividend cut
Britannia Arrow	59½	+ 7½	59½	39½	Speculative demand
BP	314	+12	415	278	Recovery in oils
Collins (Wm.) A	141	−19	173	93	News Intnl. bid lapses
Dowty	247	−39	305	187	Annual results disappoint
Firth (G. M.)	133	+19	133	32	Mr Wasserman's stake
Geevor Tin	138	+28	155	98	Tin price at 15-month high
Haden	220	+28	220	78½	Brokers' recommendation
Initial Services	236	+20	241	188	Annual results
Messina	355	+30	355	165	Firm metal prices/Press comment
Ofrex	131	+12	131	66	Agreed bid from Dennison Mfg.
Pancontinental Mining	340	−35	605	340	Proposed rights/scrip issues
Ropner	207	−18	225	166	Forecast of lower profits
Staveley	217	−31	277	217	Gloomy annual statement
Telephone Rentals	390	+30	393	250	Awaiting Brit. Telecom Bill
Thorn EMI	446	+20	450	282	Investment demand
Ultramar	505	+37	520	420	Bid hopes
Vinten	308	+34	308	174	Good annual results

A fit of nerves

NEW YORK

DAVID LASCELLES

"TAKEOVERS sizzle but Wall Street fizzles" was how the business column of Rupert Murdoch's snappy "New York" magazine summed it up.

The stock market dropped like a stone in the first part of the week to hit its low for the year on Wednesday, ignoring all the excitement on the Conoco takeover front — which continued to dominate the headlines. The Dow Industrial closing that day was particularly striking because it was exactly 100 points below this year's high, set in April, less than three months ago.

The selling avalanche was unloosed by last Friday's dreadful money supply figures which showed one of the sharpest increases on record. Ironically, the surge had been widely predicted because of the timing of social security payments at the beginning of the third quarter. But Wall Street is in such a nervous state at the moment that it recoils at all bad news, expected or not.

Although there was no sign whatever that the Federal Reserve Board had also been shocked by the jump into tightening the monetary screws. It so happened that Mr Paul Volcker, the Fed chairman, testified to Congress on Tuesday on the progress of monetary policy, and revealed that the Fed would be aiming for even slower growth in the money supply in the next 18 months. This struck more terror into investors' hearts. There was another blow on Wednesday when the Commerce Department reported that GNP fell by nearly 2 per cent in the second quarter, fuelling fears that the economy is slipping into another recession. The only piece of good news—that inflation is falling as well—got lost in the selling melee.

The big question now is when the market will hit bottom. Some analysts are talking about a technical "floor" around 900. Others fear the the Fed is going for overkill on the monetary front. There are even mutterings of an impending credit crunch. Most agree though that there will not bea big upward move until there is a major break in interest rates, though there were signs of a slight rebound yesterday.

A symptom of the market's ills: IBM, arguably the best blue chip stock around, sold at 54¼ this week, its lowest point in a year, down 18 from its high six months ago. Interest-sensitive stocks also took a battering: most have now lost the gains they made during the dip in interest rates last spring. Citicorp, which hit a four year high of 30⅜ recently, was back at 24. Citi announced a drop of more than 40 per cent in second quarter earnings this week, blaming the interest rate squeeze. Although most banks reported lower profits, Citi's earnings are particularly interest-sensitive because it has a large volume of fixed rate loans which have to be financed with floating rate money.

The oil companies, who also began to report second quarter results this week, had mixed fortunes. Exxon's profits were up 77 per cent. But this was mainly due to a big boost from foreign currency translation effects. Underlying operating earnings were down 13 per cent, which was more in line with the rest of the industry. Gulf, Occidental, Getty, Marathon and Ashland were all down. Texaco was up 10 per cent. Standard Indiana and Sohio also advanced. The broad message was that earnings had been squeezed between rising crude costs and weak demand for oil and oil products.

There was also some good news from Detroit—finally. Chrysler reported a profit of $12m, its first in three years. Ford was also back in the black to the tune of $60m, which was better than expected. The improvement was due to a combination of dealer restocking and cost reductions. Whether it will carry through into the new quarter is doubtful, though.

The star stock on the big board was Colt Industries, which soared more than 20 on Thursday to $ 4¼. The company, which gave its name to small arms but now makes a wide range of industrial goods, is merging with Penn Central, the reconstituted railroad company which is now in energy, manufacturing and leisure businesses. Penn is offering a generous 60 per cent premium over market in a deal worth $1.4bn. This took the market by surprise, but Penn needs to increase its earnings by large amounts to make use of the huge tax loss carryforwards it incurred as a result of the bankruptcy.

MONDAY	940.54	−18.36
TUESDAY	934.46	− 6.08
WEDNESDAY	924.66	− 9.80
THURSDAY	928.56	+ 3.90

Silver lining for the gold mines

MINING

GEORGE MILLING-STANLEY

NOW THAT the June quarterly reporting season for South Africa's gold mines is over, it is apparent that profits have held up remarkably well in the face of the weakness in the bullion price during the period.

The London closing gold price averaged $478.50 per troy ounce during the June quarter, 6.5 per cent below the average of $509.50 for the first three months of the year.

The prices received by the individual mines vary in line with the timing of sales, but these averages give a reasonably accurate picture of the difficult conditions faced by the mines over the three months to June 30.

In spite of this, the mines were generally able at least to maintain their net profits in the June quarter in comparison with the previous three months, and in some cases quite substantial increases were reported. How has this relatively happy state of affairs come about?

The general consensus among economists and gold analysts seems to be that the gold price is low at present because of the renewed strength of the US dollar, which is itself largely a function of the high level of interest rates in the U.S.

Gold producers might well be forgiven for regarding this strength in the dollar as a cloud hanging over their activities but like most others this cloud has a silver lining.

The recent changes in international currency parities have seen the South African rand fall against the dollar, with the result that although the gold producers may be receiving fewer dollars for their output, their income in rand terms is barely changed from the previous three months.

Some of the mines in fact received more rands for each unit of their gold output in the June quarter than in the March quarter, when the ruling (dollar) price level was higher. In this sense, then, the strength of the dollar has worked to the benefit of the gold mines.

A closer look at the mines which produced their quarterly reports this week reveals several other reasons for their good performances. As with the mines in the Consolidated Gold Fields and Johannesburg Consolidated Investment groups, which reported earlier in the month, several favourable trends are apparent from this week's crop.

The mines reporting this week came from four groups, Anglo American Corporation, Gencor, Anglo-Transvaal Consolidated Investment (Anglo-Vaal) and Rand Mines.

In general terms, net profits were broadly in line with the March quarter. Apart from the currency factor, most of the mines paid less in tax and state's share of income under South Africa's lease system.

This was in some instances the result of slightly lower profits at the pre-tax level from gold operations, and beyond that many of the mines are boosting their capital expenditure in order to raise production. This can be offset against tax charges.

Another feature common to most of the reports is an increase in the tonnage of ore milled, and this, combined in some instances with the mining of higher-grade ores, has led to a rise in gold output.

It is still too early to state with any confidence that we have seen the last of the trend towards mining lower grades of ore, which was the mines' response to the sharp rise in the gold price late in 1979 and in 1980. This trend has been a feature of the gold quarterlies for a year or more. But it does seem as though those mines lucky enough to possess the flexibility to do so are gradually beginning to boost their ore grades.

The June quarterly reports are also characterised by close attention to working costs. This aspect of gold mining has been causing concern for some time, but the latest reports show, for example, that Anglo American's mines were able to contain the average increase in working costs to around the 7.5 per cent level, about the same as for the mines in the Consolidated Gold Fields group, while Gencor did even better with an average rise of just 3 per cent.

Of course ,there are exceptions to these general comments within each group. Anglo's young Elandsrand, for example, turned in a rise of no less than 537 per cent in net profits to R4.33m (£2.5m).

This mine must often have felt like a poor relation in comparison with its near-neighbour and contemporary, Consolidated Gold Fields' Deelkraal, which beat it to the punch both in terms of starting production and in the payment of a maiden dividend.

Elandsrand has had more than its fair share of problems over the past couple of years, what with the temporary facilities at the rock hoisting and ventilation shaft proving inadequate and causing substantial production losses, shaft congestion when mining operations were concentrated in one area of the mine, and the faulting in the host rock turning out to be much more severe than was originally thought.

The mine's ore grade proved to be lower than planned, and these problems were exacerbated by a rockburst and a methane explosion in October of last year, all of which cut production.

Being a new operation, Elandsrand has not had the flexibility to vary the grade of ore mined, and has now taken steps to diversify its stoping operations as rapidly as possible.

In addition, the mine was saddled with a large debt to its parent company, Anglo American.

However, things seem at last to be coming right for Elandsrand. Earlier this year, it launched a rights issue to raise R120m, with some of the funds earmarked for an ambitious expansion programme centred around the construction of a new sub-vertical shaft system to enable the mine to exploit the higher-grade reefs at greater depths.

During the March quarter, Elandsrand managed a reduction in working costs as a result of improved efficiencies, and for the first time since its opening it achieved a milling rate in excess of 100,000 tonnes a month.

In financial terms, however, those results were marred by an item of R956,000 headed "net sundry expenditure," much of which represented interest payable on the loan from Anglo.

With this particular problem solved by the rights issue, Elandsrand's profits for the latest period reflect the full benefit of higher mill throughput, an increase in the gold grade and a consequent rise in gold output.

GOLD MINE DIVIDENDS

	June 1981	Dec. 1980	June 1980	Dec. 1979
Blyvoor	100	*160	185	*100
Buffels	400	*310	430	*160
Deelkr'l	*nil	5	nil	nil
D'nfont.	200	*135	100	*20
DurbanD	*85	300	*160	115
E. Dagga	*nil	15	*nil	10
E. Drie.	135	220	*120	120
ER Prop.	*50	195	*175	90
Elsburg	*13	52	*26	22.75
Gr'tvlei	*69	112	*92	56
Hartebst.	525	*500	725	*300
Kloof	240	*160	240	*80
Libanon	200	*130	150	*50
Marievle	*25	65	*55	45
Randft.	*350	650	*450	350
SA Lands	*15	20	*35	20
S'thvaal	*160	260	*170	140
Stilfont.	*130	300	*160	100
Vaal Rfs	*450	700	*620	320
Venters.	135	*100	135	*65
Vlakfont.	10	*40	nil	*20
W.Areas	*20	80	*40	35
W.Dries.	725	*500	850	*300
W.Deep*	200	400	*400	225
W.R. Cns	*5	10	*7.5	10
Zandpan	89	*84	123	*50

* Denotes interim

GOLD MINE NET PROFITS

	June quarter R000s	March quarter R000s	December quarter R000s	September quarter R000s
Blyvooruitzicht	17,606	17,457	19,983	23,072
Bracken	2,359	1,871	2,704	3,916
Buffelsfontein	28,125	23,944	34,367	32,105
Deelkraal	3,690	3,694	6,690	4,461
Doornfontein	18,103	14,469	22,220	15,623
Durban Deep	4,716	4,137	10,007	6,994
East Daggafontein	145	60	197	48
East Driefontein	46,658	46,510	56,999	59,120
ERGO	20,390	19,406	24,389	27,168
East Rand Pty.	10,004	8,509	18,210	12,404
East Transvaal	2,423	1,961	2,560	2,640
Elandsrand	4,329	683	2,556	11,172
FS Geduld	37,559	37,662	44,962	57,923
FS Saaiplaas	1,492	1,056	6,529	9,403
Grootvlei	5,027	4,304	6,333	7,615
Harmony	26,489	28,846	33,720	34,887
Hartebeest	29,147	31,181	35,359	39,633
Kinross	8,137	7,893	9,099	10,405
Kloof	34,862	34,573	41,891	40,011
Leslie	2,886	2,283	3,289	3,159
Libanon	11,452	11,245	12,341	12,750
Loraine	†3,483	†777	2,732	6,061
Marievale	537	413	1,070	1,253
President Brand	35,475	33,384	40,500	60,288
President Steyn	28,052	25,895	33,773	42,971
Randfontein	36,339	28,731	47,494	38,410
St Helena	16,158	14,625	19,340	21,848
South African Land	1,198	988	1,782	902
Stilfontein	11,625	10,202	14,127	17,562
Unisel	13,475	11,654	14,309	13,934
Vaal Reefs	89,986	63,655	123,085	90,089
Venterspost	4,022	3,634	5,635	5,008
Village Main	502	311	341	851
Vlakfontein	426	552	807	618
Welkom	10,394	10,310	12,802	14,215
West Driefontein	45,433	43,706	52,943	55,078
West Rand Consold.	†938	†440	†2,981	‡2,253
Western Areas	14,007	14,514	35,481	26,070
Western Deep	54,373	43,613	73,047	65,685
Western Holdings	25,393	28,982	29,643	36,271
Winkelhaak	13,142	13,314	16,372	19,341

† After receipt of State aid. ‡ After State aid repayment.

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YOUR SAVINGS AND INVESTMENTS—1

The continuing battle over retirement rights for job changers: **Barry Riley** gives a progress report

A pension stranglehold, but legislation is difficult

MOBILE EMPLOYEES will have to lobby hard if they want to end the present losses of pension rights which they incur when they change jobs. Although the Government is sympathetic to the case of early leavers, it is reluctant to bring forward legislation. As for pension consultants and pension scheme administrators, they attach a much higher priority to other objectives, such as the need to keep the cost of schemes down, and the need to provide a greater measure of protection against inflation for pensions in payment.

This was the message that came through last Wednesday from a conference arranged by Westminster and City Programmes which drew 200 participants from the pensions industry to consider the case for protecting the pensions of job changers. The immediate reason for the conference was to consider last month's report on the subject from the Occupational Pensions Board.

Mr Patrick Jenkin, Secretary of State for Social Services, used the occasion to present the Government's views on the matter. He employed some headline-catching language to complain that the pensions system was failing dismally by putting a *stranglehold on staff and inhibiting* the job mobility that was required for economic recovery.

If employers did not respond to the challenge, he warned, the pressure on the Government to legislate would become irresistible. He hinted, for instance, that employers might be prevented from making pension scheme membership compulsory. But the audience noted that he put forward no views on exactly what kind of protection for job changers would be acceptable.

And the impact of his remarks was significantly diluted by his confession that the Government was far from keen to lay down rules. "We don't want to legislate unless we are absolutely forced to," admitted Mr Jenkin.

The OPB report, the fruits of three years' deliberation by the Board, stated that early leavers suffered in respect of their ultimate pension compared with thohse who stayed and that this discrimination had to stop. It recommended that the present system of preserving pensions based on years of service and salary at the time of changing jobs should be improved so that such pensions were revalued annually in line with an index of average national earnings.

Mr. Patrick Jenkin: headline-catching talk

But then the board recommended that employers should have a statutory obligation to revalue these preserved pensions by no more than 5 per cent a year, leaving it to the generosity of employers to make up the difference between 5 per cent and the actual earning index level. In discussing the report, we criticised the OPB statutory requirements as being totally unrealistic in these times of double-figure inflation. But it appears that the Government is not even keen to legislate for this minimal level.

For those same persons attending this week's conference were also at this year's annual conference of the National Association of Pensions Funds and heard Sir Geoffrey Howe, the Chancellor of the Exchequer, voice his concern about the rising costs of providing for retirement. This Government is not going to introduce legislation in its present lifetime that would add one penny to employers' costs. And the pension industry knows this.

So what are the chances of employers offering to improve the terms given to early leavers? *Not much if* the conference reflects the mood of pension managers and consultants. Employers rely very heavily on the advice and direction given to them by their consultants and their administrators. And the consultants do not see the position of early leavers as a problem, certainly not a pressing one.

Mr Michael Pilch, a leading pension consultant and vice president of the National Association of Pension Funds, did not accept either premise put forward by Patrick Jenkin that early leavers lost out on their ultimate pension or that job mobility was good for the economy and needed to be encouraged. He contended that almost all people who changed jobs got a higher salary compared with their former colleagues left behind and at retirement might well receive *a bigger pension in money terms* than their stick-in-the-mud counterparts.

Mr Peter Francis, a senior consulting actuary and a past chairman of the Association of Consulting Actuaries scathingly attacked the report as grossly overestimating the number of leavers affected, whom he sarcastically described as ne'er-do-wells in the "rolling stone" category.

Mr Derek Bandey, the current president of the Society of Pension Consultants introduced a note of realism by stating that there was no magical solution to the problem and better terms for early leavers meant more money from employers. And the impression left was that no one is going to recommend employers to put more money into their pension schemes even if it is as little as 1-2 per cent of payroll.

Mr Pilch referred to seven categories of pension scheme membership where terms could be improved, of which early leavers formed just one category. Resources from employers were finite and it was for the employers to decide on priorities in allocating the money. He condemned the Press for picking on this one aspect and *advocating that if resources are* limited then benefits of stayers should be cut.

A speaker from the floor drew a hearty round of applause when he suggested that stayers would not put up with any loss of benefits caused by the need to compensate their more mobile colleagues. But such speakers failed to recognise the fact that any ostensible "stayer" can unexpectedly become a leaver, especially in today's troubled Britain of factory closures and redundancies.

So employees are left with two courses of action if they want to remedy the position of early leavers. Relying on the good offices of the pensions industry is not one of them.

First, pension scheme members must make sure that their trade unions and the trustees of the schemes are made fully aware of the depth of feeling on the subject. In this way, employers can be kept under pressure. Secondly, there is a need to lobby Members of Parliament *to make sure* that the Government's threat of legislation does not become entirely idle.

On Wednesday, many of those at the conference inclined to the view that this is a trivial issue blown up out of all proportion by the Press. They are not going to be persuaded to change their minds unless the contributing members of pension schemes wake up from their traditional apathy.

Leaking water main

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

My son recently purchased a cottage, the end one of a block of four. There was no mention in the deeds relating to the water supply.

Last week, a leaking water main which supplies all the cottages was discovered in the front garden on his side of the stop cock. The old main is so badly rusted that it will have to be renewed from the stop cock to his kitchen at considerable expense.

Can you advise me of the legal position relating to the liability, if any, of the other three residents in regard to sharing the cost of repairing the damaged main?

While the position is not entirely clear in law, we think that your son should be in a position to seek a contribution to the cost of the new main from the other users, invoking the principle of equity that the person who enjoys the benefit of a right must also shoulder any burden that its exercise involves. If contribution is refused consideration should be given to shutting off supplies until contribution is agreed: but this will not be possible where one or more of the users agrees to contribute, but others refuse.

An assent and a transfer

I refer to your reply under An assent and a transfer (June 20). It seems to me the procedure that should be adopted by your correspondent is for her to register the Grant with the registrar of each company sending with the Grant the appropriate share certificate with a Letter of Request that she be placed on the Register of Members. No Transfer is required where the personal representative is also the beneficiary. Do you not agree?

We agree that no transfer is required, or indeed possible, where the personal representative is also the beneficiary. Nevertheless we think it desirable to have an assent in order to remove any doubt as to whether the shares are required for the purpose of the administration of the estate.

A through-room and VAT

I propose to have the two downstairs rooms of my small Victorian terrace cottage made into one through room. This entails:

1. Knocking down the centre dividing wall and the doorway.

2. Removing one mantlepiece; bricking up fire-opening and plastering over brickwork.

3. Alterations to present gas and electrical points from the knocked down wall.

4. Enlarging present brick aperture for installation of larger window in front of house.

5. Replacing present wooden front door with a glassed-paned door (directly opening into the sitting-room) to give more light.

6. Decoration of the new room to make good the alterations above.

Could you advise me as to which items are chargeable for VAT? Having been caught previously for VAT not chargeable—I thought, this time, I would be wise before the event!

Our views on the items set out in your letter are: (1) Items rated 1, 3 and 4 should be zero rated. (2) Items 2 and 6 should be liable to VAT. (3) We are not sure about item 5. You state that it is a replacement of an existing door but directly opening into the sitting room. Unless there is some alteration to the building such as the door being in a different place this item will be liable to VAT.

Realignment of a fence

I own No. 44, one of four houses Nos. 42-48 built before the war at the same time and all with gardens of the same size. Unfortunately on my title deeds only the width of the garden just behind the house is given and at some period the owner of No. 46 renewed his fence so that the bottom of my garden is more than 2ft narrower than the top. I have been told that the Land Registry would have the existing measurements when my title was registered in 1975. Could you tell me what the Land Registry would charge for my request for these measurements and further what it would cost for new measurements so that my original boundary would be restored and the title registered?

If the occupier of No. 46 placed his fence on the present line more than 12 years ago it is most unlikely that you can insist on its being re-aligned now. He will have acquired a "squatter's title" to the land formerly belonging to No. 44 enclosed on his side of the fence. It would not be feasible for you to rectify the Land Registry title in that case; and in any event the Land Registry will not survey your land for you. If the encroachment was only made within the last 12 years you should consult a solicitor, and it is important to do so as soon as possible.

Tax on Irish interest

I have a holding of £1,000 of an Irish 10¼ per cent Unsecured Loan Stock, from which (due to the depreciation of the Irish pound) I received £56.38 interest, and £26.78 from reclaimed Irish Tax, giving a total for the year April 1980-April 1981 of £83.16.

The Inspector of Taxes has however taxed me at 30 per cent on £105, although I contend it should be £83.16 which is the gross amount I received. Could you please tell me who is right?

You are more nearly right than the tax inspector. The amount assessible for 1980-81 in respect of the interest paid in June and and December 1980 appears in fact to be £86, ie, £56 plus £30 Irish tax. No relief is obtainable for the fact that the Irish tax was worth a little less when you recovered it than it was when you suffered it, unfortunately.

If you have not already given formal notice of appeal against the 1980-81 assessment, you should do so now, drawing the inspector's attention to paragraphs 2(1) and 6(3) of schedule 12 to the Income and Corporation Taxes Act 1970.

Footballs over a fence

Some while ago you gave the law relating to footballs, etc., and other objects projected by children over a fence into a private garden. Would you please re-state the law as it stands, and if possible give the reference for this information?

Also, you quoted the Act and the specific parts of the Act which enabled local councils to take action (if they so considered it necessary) to abate a nuisance to a householder or group of householders. Would you please re-state this?

As you might have gathered from the above, myself, and another neighbour of a private school situate in a residential area are experiencing considerable annoyance from stray balls arriving from the schoolchildren.

There may be liability for nuisance (if the objects are projected into your garden regularly) or for negligence or both: see Castle v St Augustine's Links (1922) 38 TLR 615 and Halsey v Esso (1961) 1 WLR 683; but in Bolton v Stone (1951) *AC 850 there was held to be no liability for injury caused by a cricket ball. See generally Clerk and Lindsell on Torts, 14th Ed. paragraphs 958 and 1464. For local authorities' powers in connection with nuisance by noise see Section 58 of the Control of Pollution Act 1974. You may find that the school would consider funding the erection of fencing which would prevent or restrict the nuisance if you approach it on the footing that there is a problem which is best solved without litigation.

** A different view was taken more recently in Miller v Jackson (1977) QB 966.*

Meaning of word 'furniture'

I was recently a beneficiary under a friend's will of "All my furniture." Does this in fact include decorative items, rugs, pictures and lamps?

We think that the phrase is apt to include rugs, pictures and lamps. We do not know what you mean by "decorative items."

Christine Moir reports on a troublesome seven months for the Stock Exchange

The year of the wind-ups

WE ARE ONLY seven months into the year but on the Stock Exchange no fewer than three stockbroking firms — Norman Collins, Hedderwick Stirling Grumbar and Halliday Simpson —are being wound up, more than in any year since the dark days of 1974-75.

The current crop, however, has nothing to do with commercial problems in the market and everything to do with the Stock Exchange's own powers to regulate its membership.

Collins and Hedderwick were "hammered" — expelled from the market — when it was learned that they could not meet their immediate financial liabilities.

The case of Halliday Simpson is much more dramatic. The entire firm—one of the largest in Manchester and with branches in London, Wales, Sussex, Jersey and the Isle of Man—was suspended on July 10.

The firm was not in financial trouble. A statement, confirmed by its auditors, said that it would show a surplus on winding up.

Instead the Stock Exchange had taken the unprecedented step of suspending it from trading for the duration of an investigation into its dealing practices. The investigation, which had begun in March, is not expected to be completed for another six months, so the firm had little option but to wind itself up.

Almost immediately afterwards the first indications began to emerge of the direction of the investigation. Two of the City's best known investment managers, Sir Trevor Dawson and Mr Michael Barrett, who ran the Arbuthnot Latham group of unit trusts, were suspended from duty. Their names were specifically linked to the Halliday affair.

The Stock Exchange Council let it be known that the Halliday investigation could widen into a major study of dealing practices in the market.

The promise of a wide study evoked memories of another similar Stock Exchange inquiry into dealing practices, dubbed the "put through affair." Begun in 1978 by the exchange, it is now in the hands of the City of London Fraud Squad.

In that case the Stock Exchange uncovered evidence which suggested a small group of what it called "highly active individuals" were exploiting the rules which govern "put throughs" in a way which might have created false markets in the shares.

In doing so it revealed one of the many highly sophisticated mechanisms employed in securities trading. If a broker has two clients, one of which wants to buy and the other to sell the same stock, he is permitted to match them up.

In order to ensure, however, that a proper and fair price is paid in the transaction the broker *must* "put the deal through" a jobber — show the jobber the deal and the price and get him to confirm that it is pitched at the price *which the* open market would accept.

Rule 90 of the Stock Exchange's 300-odd rules for members, lays *down* the procedure in great detail.

The aim of the rule is to ensure that such "put throughs" are done at a proper and fair price. In the case of the inquiry now with the Fraud Squad the question was whether the principle behind the rule was being breached. Though the deals were being transacted in such a way that fulfilled the letter of Rule 90, the prices might have been artificially increased by a prearranged circle of matched buyers and sellers.

The outcome of the Fraud Squad inquiry has *still to be* revealed so the Stock Exchange is holding its fire over any action.

More commonly, however, problems arise in dealing practices which do not conflict with the criminal or civil law, such as the laws of agency and contract which cover all brokers acting for clients. Rather they form part of the house rules of the market which are being constantly *revised.*

Most recently, the Council added a sub-clause (f) to rule 79 last month. Following complaints from investors, there was felt to be a need to tighten up the ways in which brokers handle discretionary accounts on behalf of clients. There must now be a formal and detailed written contract supervised by a senior member of the firm.

The month before, the Council had amended rule 17 making it crystal clear that senior partners of firms will be held responsible for the actions carried out by their employees if any misconduct occurs which they were negligent in spotting.

The Halliday Simpson affair began when the Chieftain Unit Trust group, having fired its investment manager, drew the Stock Exchange's attention to details of his personal dealings.

Again there are series of rules which cover the relationship between brokers and investment managers or those dealing on their own account when employed by an investment organisation. For example, the broker must obtain written authorisation from the investment manager's employee for speculative dealing.

While there are no specific rules which outlaw bribery and corruption—the handing out of "sweeteners" or "backhanders," say, to obtain business, one of the exchange's most important rules—lays down that a broker shall always deal to his client's best *advantage. Paying bribes to* individuals would breach the principle behind the rule.

In the same way rule 73b abjures the broker from dealing in such a way that false markets are created in shares.

And if the specific and general rules contain loopholes through which the unscrupulous might seek to wriggle, there is the great catch all clause, itself only strengthened in May.

Rule 17 outlaws *conduct detrimental* to the interests of the Stock Exchange, dishonourable, disgraceful or improper conduct, breaches of the City Code on Takeovers, and—the new clause—breaches of *any of the rules or regulations or of good Stock Exchange practice.*

Because the Stock Exchange is self-regulating its members know that if they breach the principles of these rules they lay themselves open to discipline by their fellows, up to and including banishment from the marketplace.

The system may be rough, and it may not even always be as fair as justice is meted out in a court of law. But it is speedy, flexible and a great spur to good conduct.

UNIT TRUSTS AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS—2

How the rise in U.S. interest rates is causing ripples through the world

A ragged look in the markets . . . London to Sydney

THE BULL phase in the world's equity markets—which dates back to 1978—is looking distinctly ragged this weekend. The Capital International World Market Index stands at a low point for the year, having fallen 4 per cent since the beginning of this month, and a number of major bourses are registering sharp declines almost daily.

Thus Wall Street touched a new 1981 low on Wednesday, with the Dow Jones Industrials standing 100 points below the April peak. In Europe, the Italian market continued its free fall; Australian resource stocks took another bad beating; and for the first time there were serious signs of strain in the hitherto very buoyant markets of the Far East.

Share prices in Singapore *have fallen 15 per cent* in a month, while Hong Kong saw a fall of over 5 per cent in the space of a few days. In Tokyo, the shadow only lifted slightly by a burst of bargain hunting towards the end of the week.

There is a strong link between this widespread pattern of declines. While the world's leaders were working out their bland agreements in Ottawa, the attention of the international financial community was concentrated elsewhere. In Washington on Tuesday, Mr. Paul Volker, chairman of the U.S. Federal Reserve Board, braved a storm of criticism from the business community by reaffirming his determination to enforce a tough monetary policy.

The U.S. was at a critical point in the fight against inflation, he said. It was vital that restraint should not be abandoned despite the damage and pain this was causing in the U.S. and worldwide.

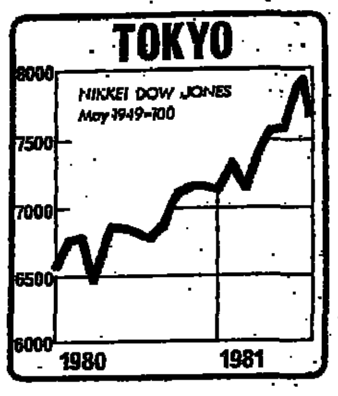
The markets got the message. In the Euro-currency sector, short term U.S. dollar interest rates rose a full point on the week to around 19½ per cent, and sucked the dollar still higher against just about all the world's major currencies.

From London to Tokyo, central bankers were burning the midnight oil as they tried to resolve their fundamental dilemma: how to check the fall in their currencies (and the inflationary consequences) without pushing interest rates to even more damaging levels.

In the view of the financial markets, further increases in interest rates now seem inevitable.

To assess this new mood of caution, Financial Times reporters have been talking to leading investment figures in a number of the world's stock markets. Their reports have a great deal in common. Although most of the people interviewed retained their inherent confidence in the long term strength of their local market, there was a distinct feeling of hesitance about the short term outlook. And the direction of U.S. interest rates is seen as the key influence on price movements in the next few months.

JAPAN



"THIS IS a crucial point" for Japanese securities, Mr. Kinya Tsubaki, managing director of the Nomura Securities Investment Trust Management Company (NSITM) says. "By the first quarter of 1982 the situation can change very much."

When Mr Tsubaki's company, an "independent" subsidiary of the giant Normura Securities, turns cautious, the rest of the industry would do well to pay attention. NSITM directly controls net assets of "slightly over" $9bn, making it one of the biggest investment management companies in the world.

The funds are divided about 55-45 between stock investment trusts (25 funds in all) and bonds. "Nearly" 15 per cent of the money is currently invested overseas.

Mr Tsubaki's 27 years experience working for Nomura includes ten spent on assignments in New York, London and Hong Kong. He took up his present job five years ago after managing the parent company's stock trading department.

He takes a sober view of things to come.

"This year the economy is expected to be better than last because individual consumption and capital spending is improving," he says. As a result, Nomura predicts corporate profits, following a dip of about 10 per cent in the six months ending this September, will bounce back with a 25 per cent gain in the half year ending March 1982.

But Mr Tsubaki believes that a number of circumstances are developing which may not favour Japanese stocks.

First, the yen: "I don't see that the yen will be much weaker (than at present) but comparatively speaking the dollar can be expected to remain strong. . . . As long as the yen is weak there are worries about importing inflation."

> 'As long as the yen is weak there are dangers. . .'

"These worries may cause the Bank of Japan to change its policies by the end of the year. In the first quarter next year, interest rates might be raised partly because of the weak yen and partly because of the business revival," he says.

Tighter money will dull the profit outlook, and, Tsubaki says, may influence foreign investor attitudes toward continued buying of Japanese equities—a main prop of the Nikkei Dow over the past few months.

"As long as profits are *improving stock prices will do* better," but "it looks like a tug-of-war" is developing in the market, he says.

"In the short term we are going to be very careful choosers, but very selectively," he says.

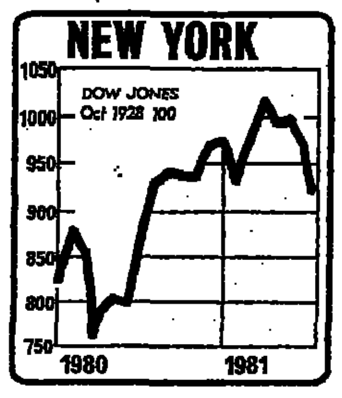
"For the next six months we will be quite happy to liquidate some portion of our holdings to take capital gains," he says. Foreign investors may choose to do the same "if their conclusions are based on a belief that the yen is weakening," he says.

(Tsubaki figures the yen will fluctuate in a wide range between 210 and 250 to the dollar.)

For the moment just over 50 per cent, on average, of his stock trust funds are invested in equities, with the balance in fixed interest securities. Mr Tsubaki considers this to be a "bullish" position.

Anticipation of higher interest rates, however, is pushing bond yields higher in Japan, much the same as in the U.S. bond market, he comments. This too makes the short-term view of equities not necessarily bright," he says.

NEW YORK



"HESITANT" IS the best word Mr Maurits E. Edersheim, deputy chairman of Drexel Burnham Lambert of Wall Street, can find to describe the investment climate in the U.S., where the Dow Jones Industrial Average hit its low for the year this week, and the economy is faltering. But he thinks it would be a lot better if the Federal Reserve Board eased up on its tough monetary policy which has driven U.S. interest rates up to record levels and kept them there for months.

"I'm afraid we are engaged in overkill," he said "and I'm not sure the Fed realises what it's doing. We had hoped that once inflation started going down—which it has—the Fed would ease up. But it hasn't, and that's going to make it much harder to get things going again later on."

Though high interest rates have opened up huge yields on bonds, Mr Edersheim says he no longer likes them as long term investment because of the uncertainty. But anyone "with strong nerves" could make money playing the short term volatility of the fixed income market, he says. Real rates of interest are probably as high as they have ever been, so the scope for downward movement must be big once Wall Street's confidence improves.

Equities, by contrast, "are much more interesting," he said. Although the stock market is a slave to interest rates at the moment and the future could spring some nasty surprises on earnings and even bankruptcies, he is basically bullish.

"The outlook for the U.S. economy is very good in the long term. There is a lot of liquidity in the system, the energy picture has improved, and there are no specific problems like the unions." So convinced is Mr Edersheim of the strength of U.S. economic prospects that he does not think the pro-business economic policies being put together by the Reagan Administration will make much difference — for good or bad. "But we must handle it well," he added, pointing the Fed again.

Foreign investment, which was a big factor behind the strength of the U.S. stock market last year, has fallen off this year, he notes. "Foreigners buy when they see the domestic people buying, and that's not happening at the moment."

AUSTRALIA

RAY CRAIG is chief investment manager of the Australian Mutual Provident Society. With about A$800m to invest this year, the AMP is by far the most important investment institution Down Under.

"We have a very thin share market here," he says. "And quite a modest amount of overseas buying can have a dramatic impact on prices. Largely as a result of foreign interest, the market got quite out of gear in the last year or so, especially in energy stocks."

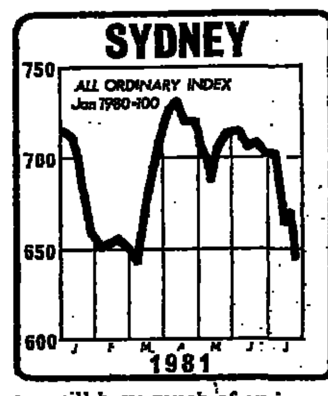
Australian share prices generally have now fallen by about an eighth from their April peak. The metals and minerals sector is well over a quarter off the top.

Mr Craig says that high U.S. interest rates have more or less completely shut off the inflow of buying from abroad. And with short-term interest rates in Australia rising to 15 or 16 per cent, local buyers have been keeping their heads down too. The yield gap between equities and bonds has been touching all-time peaks, he says.

"One of the features last year was that the price of resource stocks kept rising even though commodity prices were weak," he notes. "One factor was that investors were seeing the prospect of a recovery in the world economy sometime around mid-1982. But now that looks to be some way further off down the trail."

Mr Craig believes that Australian share prices could well fall back further, although he thinks that the floor may not be too far away.

But he does not reckon that Australians' new freedom to invest more of their money overseas will have much of an impact in siphoning funds out of the market. The exchange control constraints were not that restrictive — and the Australian dollar has been very strong over the past year or two. The risk of currency losses will be a big disincentive against shifting funds overseas — and there are also longer-term reasons for Australians to keep their money at home.



"When U.S. interest rates fall back to around 15 per cent or less — which will not happen quickly — then we are likely to see a useful recovery in our market," Mr Craig concludes. "There aren't so many countries in the world with economic prospects which look as good as ours over the next three to five years."

LONDON

"RETURNS on gilts should be at least as good as on equities over the next 12 months," according to Mr Michael Prag, the senior partner of stockbrokers Simon and Coates.

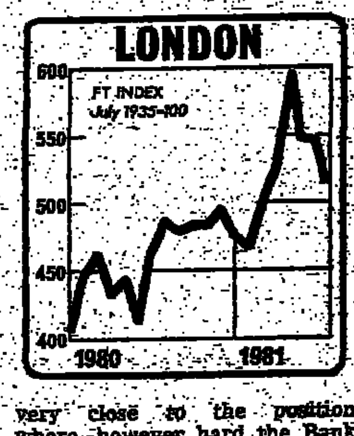
He is optimistic about both markets over the medium term, although a sideways drift is the best that can be expected from the equity market for the next couple of months. By the end of the year, however, equities could be entering the last leg of of a bull market which might produce a 20 per cent rise in share prices during the first half of 1982, Mr Prag believes. "The recession has now reached the bottom and, from the second quarter of next year, we will see an upturn, both nationally and internationally, which will be stronger than most people expect," Mr Prag says.

The improvement in demand should be compounded by a lower level of interest rates, higher productivity and a rise in foreign profits, both from exports and the translation of overseas earnings. All of this should push corporate profits up by an average of about 30 per cent at the trading level in 1982, he believes.

He is currently favouring such sectors as banks ("fundamentally ridiculously undervalued"), stores and breweries.

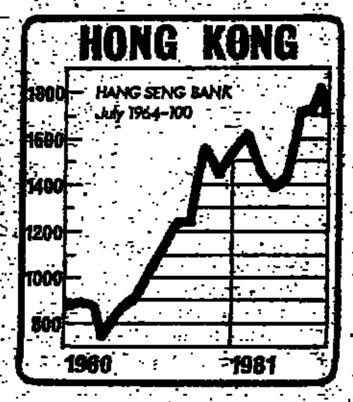
"Bull markets tend to end when the economy starts rising," Mr Prag says, and he is expecting a fairly shallow bear market beginning in the second half of next year. He is cautious about cyclical stocks which had reached "almost bankruptcy ratings" at the beginning of this year and have since moved up. "I would rather be in the safe stocks when the market starts to fall."

He admits that he would currently be a nervous investor in the gilts market, since yields could move higher in the immediate future. "We are very close to the position where, however hard the Bank of England tries to keep short-term rates down, it will be pre-empted and higher base rates will follow."



But Mr Prag remains confident that U.S. rates will fall later in the year, allowing sterling rates to ease and forcing up gilt prices.

HONG KONG



PAUL MYNERS looks after investment funds on behalf of European and North American clients of Rothschild in Hong Kong. In the absence of a large insurance company or other institution in Hong Kong, much of the money being invested is routed through merchant banking companies like Rothschild and Wardleys.

As evidence of Rothschilds's overall confidence in the Hong Kong market he says that the company has recently increased the exposure of its funds "materially" in the Far East region and in Hong Kong in particular. Confidence in Hong Kong is only offset by high interest rates. The local prime lending rate rose to 18 per cent last week partly in reflection of high American rates and partly to bolster a weak local dollar.

Myners said: "We are confident that Hong Kong equities represent good fundamental value on a medium-term view. We expect to see the Hang Seng Index challenge and surpass the 2,000 level before the end of calendar 1981. Consequently, *Hong Kong has a valid status in* any internationally diversified portfolio.

"The principal negative at the moment is interest rates which tend, because of the prevalance of margin trading, to have a disproportionate impact on the stock market. The market now fears, unless U.S. interest rates soon adopt an easier tone, that a further increase in local interest rates will be required to check the outflow on capital account.

"Once the market adjust to higher rates, or at least rates which are broadly in line with those in the U.S., investors will again focus their attention on solid earnings and dividend prospects for Hong Kong's quoted companies. Local credit is available in abundance, as was evident in the recent heavy oversubscription for International City Holdings and Henderson Land Development, while overseas investors, who have been erratic in their participation and elephantine in their dealing, can probably be relied upon to sustain any locally inspited monementum."

But Myners notes that 60 per cent of the present capitalisation of the Hong Kong stock market can be accounted for by property companies or shares valued of their property assets. Banks and utility companies account for another 25 per cent.

Myners says "property-values in Hong Kong are in danger of losing contact with the ability of industry, or the land occupier, to justify the continued use of a very expensive asset for activities which can only generate, at best, a modest return.

Where dollar is king

INVESTORS in securities may have been depressed by this week's failure of the seven top leaders of the industrialised world to come up with a way of reducing interest rates. But the consolation remains that yields stay very high on the short term deposits in foreign currencies offered by the major High Street banks.

Both on the foreign exchanges and in the interest rate league, the dollar remains king. The table shows rates offered for seven day deposits in the various currencies by National Westminster Bank.

Those who bought dollars at the beginning of the year (when the pound was at the princely rate of $2.40), and have left them in deposits yielding seven percentage points more than sterling accounts, have turned in handsome profits during the pound's plunge to $1.85.

As the table shows, interest rates available in the Continental currencies have all risen sharply since the beginning of the year. This reflects the tight money policies implemented by these countries' authorities to counteract the rising dollar.

CURRENCY DEPOSIT RATES
(%, for minimum amounts of £1,000, 7 days notice of withdrawal)

	This week	Jan. 2
Dollar	16	17½
French franc	15¾	8
D-Mark	8¾	6¼
Dutch gldr	7¾	6¼
Yen	2¾	5
Sterling	9	11¾

Source: National Westminster Bank

The rate on sterling deposits has, however, come down following the cut in banks' base rates in March. The low level of sterling interest rates relative to those in other countries with lower inflation rates helps to explain a great deal of the pound's recent weakness on the foreign exchanges.

Foreign currency accounts became available to everyone following the ending of exchange controls in October 1979.

Companies and individuals rushed to open them in particular towards the end of last year and in the early months of 1981. Total residents' currency deposits with UK banks amounted to £9.6bn last month compared with only £6bn at the middle of last year (the amount is of course inflated by sterling's weakness during the past few months). The growth rate has been big enough to cause headaches at the Bank of England about the possible repercussions for monetary control.

And now to the golden rule

FIRST PICK your currency—then choose your stocks. This is a golden rule for international fund managers, and it has never been more true than in 1981, when currency movements have been the biggest single factor in distinguishing betwen success and failure in international portfolio management.

Calculations by stockbrokers Wood Mackenzie show that in the three months to the end of June the strongest currencies against sterling were the U.S., Australian, Hong Kong and Singapore dollars, in descending order. All showed gains of 10 *per cent or more against* the faltering pound.

So it is no surprise that the best overall returns for the equity investor from the UK were also to be found in those countries. Hong Kong was the best performing of the world's major markets, showing an overall return of 41 per cent in sterling terms. Singapore came second, with a 34 per cent return.

For local residents, there was no fun to be had in either Wall Street or Australia during the three-month period. In both markets, the main share price indices drooped. But thanks to the strength of their currency against sterling, a UK investor would have achieved an overall return of about 14 per cent from both his U.S. and Australian portfolios.

Contrast that with dull old Throgmorton Street. The overall return on the FT Actuaries All-Share Index is calculated by the brokers at just 4.9 per cent—and the oils sector showed a decline of 9 per cent.

The world's wooden spoon for the quarter goes to France, where the prospect and then the fact of the new Socialist Administration knocked share prices for six. UK investors in Paris lost about a quarter of their money in the three-month period.

So violent are the swings in currencies these days that international investors must ask themselves whether it is worth going to the extra trouble, expense and risk of buying equities. After all, one of the best investments in the first half of this year was nothing more exciting than seven-day U.S. dollar deposits. These brought a return of nearly 35 per cent to the sterling investor.

The trouble is that in this period of gyrating currencies, there is no such thing as a non-speculative investment.

YOUR SAVINGS AND INVESTMENTS —3

A long way to go at Lloyd's

BREAK OPEN the aspirin. Lloyd's privately promoted Bill of Parliament for reforming self regulation within its clubby insurance market has a long way to go before it reaches the Statute Book. During the remaining passage of the Bill the more remote corners of Parliamentary procedure are likely to be explored.

Even the lawyers associated with the Bill have had to riffle constantly through the pages of Erskine May, the bible on procedure, to remind themselves how it all should work.

New readers starting here may be alarmed to know that there are at least 12 stages left to the passage of the Bill., Lloyd's first radical legislative change in over 100 years. The outcome is by no means certain and as one lawyer remarked "the permutations are endless."

What has happened so far in Parliament is that the Bill has passed its second reading stage in the Commons.

After the second reading the earlier intervention of two Lloyd's "armchair" underwriting members—the members who put up their capital to allow the market to function—ensured that the private Bill went to an opposed committee. They filed a Parliamentary petition.

The two members were seeking major changes to the Lloyd's Bill. The changes sought included the insertion of clause requiring Lloyd's insurance brokers to sell their underwriting interests at Lloyd's. Another change sought was the removal of a controversial legal immunity clause from the Bill which will protect a new Lloyd's council against suits for damages for negligence.

The petitioners succeeded in gaining the change for brokers to sell their underwriting interests. They failed over the immunity issue.

Their case was heard by Mr Michael Meacher, Labour MP for Oldham West, chairman of the committee, Mr Reg Race (Labour, Wood Green), Sir John Biggs-Davison (Conservative, Epping Forest), and Mr Nicholas Scott (Conservative, Kensington and Chelsea).

The next stage in the Bill's passage is that Lloyd's will have to seek a suspension or carry-over motion—either before the House rises for the summer recess next week.

The carry-over motion will allow the Bill to complete its passage in the next session and avoid the inconvenience and expense of starting again with a new Bill.

Lloyd's will then go back to the Commons committee with a draft clause requiring brokers to sell their underwriting interests. Any petitions against that clause may be filed by interested parties. The Commons committee will hear all the arguments and decide on the issue.

Some brokers and underwriters are considering filing a petition. On Lloyd's timetable this could take place in the second week of November.

After that stage the Bill will be reported by the committee for consideration. A third reading of the Bill could then take place in late November. There is likely to be a debate.

In the Lords the first reading of the Bill will take place on the same day as the third reading in the Commons, according to Lloyd's. Any petitions to be heard at the committee stage seeking changes to the Bill in the Lords must be received by Parliament within 10 days of the first reading.

A second reading in the Lords is expected to take place in late January or early February next year. Committee readings of the Bill will be conducted in mid-March; a third reading sometime in March.

The Bill will go back to the Commons if amended by the Lords and with any luck the Bill may receive the Royal Assent by the end of April or early May.

That is in an ideal world. But opposition is mounting from the brokers who are unhappy about the prospect of having to sell off their underwriting interests. They may use every device known to Parliament to block or challenge the Bill on procedural points.

Moreover, a group of Conservative MPs are dissatisfied with the immunity clause and may challenge the Bill at third reading stage before it even reaches the Lords.

As one of the lawyers in the case told the Commons committee this week "there is every sign that the coming session will be interesting." To which Mr Meacher replied: "I am sure in many respects that is so."

John Moore

"Nice? It's the only thing," said the Water Rat solemnly as he leant forward for his stroke. "Believe me young friend, there is nothing, absolutely nothing — half so much worth doing as messing about in boats. Simply messing," he went on dreamily. "messing — about — in boats — messing . . ."

"Look out Rat," cried the Mole suddenly.

It was too late. The boat struck the bank full tilt. The dreamer, the joyous oarsman, lay on his back at the bottom of the boat, his heels in the air.

Kenneth Graham: The Wind in the Willows.

How to make it plain sailing

MESSING ABOUT in boats is no longer the pastime of the rich. Walk along the coast or the river bank any time in summer and the waters are dotted with craft, many of them flying the flag of a man of modest income.

Boating is now the fourth most popular leisure activity and 1¼m are sailing around UK waters. In some areas along the south coast the problem of suitable moorings is becoming acute.

But whereas one has to undergo a course of tuition and pass a test before being allowed to drive a car, no such system of licensing applies to getting into a boat and sailing or driving it away. Any person with no previous experience can go boating.

Similarly, there is no compulsory requirement for any form of insurance as there is with a motor car or motor cycle. Nevertheless, this omission by the authorities does not lessen the need for a person to get some kind of experience before venturing alone in a boat or for the need to take out insurance on the boat and its contents.

But as boating has grown in popularity in recent years, so has more thought been given by underwriters and insurance brokers to designing contracts to meet the needs of yachtsmen, power boat enthusiasts and others who like to go on the water. Even so there is still a real danger that the person taking out insurance will find himself not adequately covered if he has to make a claim on the policy.

He needs to consider what his insurance will pay in a variety of circumstances and thus find out what gaps exist in the particular policy being considered. As with most other forms of insurance, the policyholder chooses on price rather than cover and discovers his mistake the hard way.

The biggest risk of loss or damage occurs not when sailing the boat, but when it is moored. Theft is rampant from boats and boats can be damaged at moorings from gales or by being hit by another boat.

The underwriters usually will only pay out on claims if there has been forcible entry. If a loss occurs because the thief has somehow obtained a set of keys it is not covered by the policy. Gear taken from the deck would not be covered.

The next item to check on the insurance contract is the size of excess on the policy—the amount of loss which the policyholder had to bear himself. He needs to check what happens if the boat is damaged while at mooring. Some types of policy increase the excess if the boat is left unattended for any length of time.

Next the boatsman should consider what happens if he is involved in a collision with another boat or he piles his boat on a rock. Under marine insurance law, there is a limit to his liability towards other members of the public—now set at £250,000.

Yachtsmen and other boat owners are no longer content to sail in UK coastal waters. Trips across the channel or the North Sea are now becoming more common. Modern boat insurance will give cover in coastal waters from Brest to the Elbe. Boating now occurs in all waters around the UK. The Scottish waters are now becoming popular for yachtsmen and each area has its own type of contract with its own premium rating.

Insurance of small boats is becoming a specialist operation. The need for expert guidance is essential from an insurance broker who knows the market. And the market is changing with insurers coming in and going out. Guidance on claims should the worst happen is where the broker can provide valuable advice. This is not really the field for the provincial broker. The large Lloyd's broker with access to both Lloyd's and the company market can provide the service required.

Eric Short

The Association of Investment Trust Companies

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(5): as at close of business on Monday 20th July 1981. Columns (6)–(10): as at 30th June 1981.

Total Assets less current liabilities (1) £million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	Geographical Spread: UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Gearing Factor (10) base=100	Total Return on N.A.V. over 5 years to 30.6.81 (11) base=100
	VALUATION MONTHLY									
205	Alliance Trust	267	5.6	397	52	36	6	6	98	190
168	British Invest. Trust	191	6.6	263	62	31	6	1	86	174
57	First Scottish American Trust	124	5.2	172	58	28	12	2	102	198
18	Grange Trust	135	3.9	167	65	26	2	7	107	218
93	Great Northern Invest. Trust	129	7.3	190	64	17	9	10	98	207
118	Investors Capital Trust	121	3.6	170	39	37	16	8	102	192
11	New Darien Oil Trust	96	0.0	111	1□	89□	—	10	75	†
67	Northern American Trust Co.	135	5.0	189	56	30	12	2	103	200
183	RIT Ltd	365	4.7	481	64□	18□	1	17	78	278
26	River Plate & General Invest. Trust	121	6.2	165	72	9	—	19	96	268
14	xSave & Prosper Linked Invest. Trust	104	—	188	100	—	—	—	158	195
188	Scottish Invest. Trust	142	4.3	200	41	36	8	15	99	206
82	Scottish Northern Invest. Trust	108	4.6	147	56	38	2	4	104	241
159	Scottish United Investors	63	3.5	83	33	38	10	19	103	199
68	Second Alliance Trust	226	5.4	344	53	35	6	6	99	191
4	Shires Investment Co.	139	12.2	148	100	—	—	—	95	191
110	United States Debenture Corporation	104	7.7	157	69	31	—	—	101	†
	Baillie Gifford & Co.									
177	Scottish Mortgage & Trust	162	4.7	234	37	39	13	11	104	195
87	Monks Invest. Trust	75	4.6	106	35	40	13	12	103	203
22	Winterbottom Energy Trust	70	1.2	88	3	90	—	7	106	184
	Baring Bros. & Co. Ltd.									
58	Outwich Invest. Trust	70	4.5s	102	59	16	11	14	109	219
39	Tribune Invest. Trust	101	3.8	146	39	31	14	16	100	188
	Drayton Montagu Portfolio Mngt. Ltd.									
10	British Indust. & Gen. Invest. Trust	149	4.8s	195	35	14	19	32	97	†
4	City & Foreign Invest. Co.	87	0.0	95	2	98	—	—	99	157
11	Colonial Securities Trust	57	7.5	74	82	7	2	9	111	166
68	Drayton Commercial Invest. Co.	157	6.4	245	52	17	8	23	95	180
92	Drayton Consolidated Trust	167	6.5	263	53	15	13	19	96	†
12	Drayton Far Eastern Trust	88	2.0	99	12	—	26	62	93	218
105	Drayton Premier Invest. Trust	215	6.8	332	55	17	8	20	93	161
19	English and International Trust	112	7.0	174	55	22	5	18	97	†
8	Montagu Boston Invest. Trust	68	2.2	79	1	99	—	—	83	†
19	xCity & Commercial Invest. Trust	257	—	357	94	3	—	3	133	†
16	xDualvest Ltd.	464	—	597	80	5	1	14	127	252
15	xFundinvest Ltd.	113	—	181	93	4	—	3	123	254
45	xTriplevest Ltd.	352	—	529	55	14	1	30	129	†
	East of Scotland Investment Managers									
63	Aberdeen Trust	137	6.0	185	75	22	1	2	102	204
	Edinburgh Fund Managers Ltd.									
85	American Trust	66	*4.5	93	49	50	—	1	98	216
25	Crescent Japan Invest. Trust	346	0.4	364	—	—	100	—	100	237
19	General Scottish Trust	62	6.7	87	64	22	7	7	103	228
13	New Tokyo Invest. Trust	133	0.0	133	—	—	100	—	99	†
12	Wemyss Invest. Co.	365	7.4	512	66	18	1	15	91	186
	Electra House Group									
117	Electra Invest. Trust	58	6.6	73	60	27	—	13	95	227
401	Globe Invest. Trust	149	7.2	210	56	25	4	15	98	248
45	Temple Bar Invest. Trust	121	9.1	153	89	7	—	4	97	197
	F & C Group									
39	Alliance Invest. Co.	214	3.6	271	47	24	18	11	110	271
36	Cardinal Invest. Trust	138	4.7	206	56	16	6	22	104	242
5	F & C Eurotrust	53	3.9	65	15	2	—	83	104	116
316	Foreign & Colonial Invest. Trust	68	3.9	96	51	23	15	11	110	227
46	General Investors & Trustees	180	4.8	259	52	15	5	28	104	247
	Robert Fleming Investment Mngt. Ltd.									
38	Capital & National Trust	166	*5.8	247	65	17	6	12	99	218
17	Claverhouse Invest. Trust	134	6.8	173	99	1	—	—	98	283
15	Crossfriars Trust	117	8.0	155	100	—	—	—	97	246
83	Guardian Invest. Trust Co.	104	6.4	162	71	12	10	7	101	205
30	London & Holyrood Trust	153	5.4	229	62	21	5	12	99	208
36	London & Montrose Invest. Trust	98	5.2s	150	55	25	7	13	99	206
68	London & Provincial Trust	143	5.3	216	56	26	6	12	99	200
156	Mercantile Invest. Trust	60	6.0	89	49	31	8	12	102	236
55	Sterling Trust	206	6.6	320	63	23	8	6	101	185
42	Technology Invest. Trust	164	3.7	213	60	30	10	—	98	213
105	United British Securities Trust	161	6.2	237	58	22	6	14	98	204
31	United States & General Trust Corp.	255	5.9	375	68	18	4	10	99	196
	GT Management Ltd.									
37	Berry Trust	191	1.1	204	35	26	21	18	106	351
1	xChild Health Research Invest. Trust	170	—	182	51	16	24	9	104	†
9	GT Global Recovery Invest. Trust	98	0.0	92	37	39	—	24	98	†
23	GT Japan Invest. Trust	359	0.8	367	—	2	94	4	82	266
14	Northern Securities Trust	270	2.3	342	48	22	15	15	111	303
	Gartmore Investment Ltd.									
10	xAltifund Ltd.	168ac	0.3	246ac	88	4	1	7	124	332
36	Anglo-Scottish Invest. Trust	68	5.0	101	55	29	4	12	103	219
48	English & Scottish Investors	75	*3.4	103	40	26	12	22	111	265
11	Group Investors	96	4.3	142	47	41	6	6	98	256
9	London & Gartmore Invest. Trust	130	1.1	179	34	24	9	33	119	219
12	London & Lennox Invest. Trust	46	5.9	64	55	29	—	16	101	191
32	London & Lomond Invest. Trust	103	5.3	149	66	31	—	3	107	225
16	London & Strathclyde Trust	75	4.1	100	59	27	—	14	110	208
20	Meldrum Invest. Trust	73	6.4	98	96	—	—	4	100	278
	Gartmore Investment (Scotland) Ltd.									
106	Scottish National Trust	217	4.5	311	57	22	7	14	104	204
28	Glasgow Stockholders Trust	79	4.0	112	56	28	—	16	105	205
	John Govett & Co. Ltd.									
127	Border & Southern Stockholders Trust	84	4.4	124	54	21	13	12	99	213
19	General Stockholders Invest. Trust	196	2.7	259	47	38	7	8	102	225
100	Lake View Invest. Trust	159	3.5	210	47	14	14	25	102	228
99	Stockholders Invest. Trust	167	3.0	215	31	55	7	7	103	224
	Hambro Group									
34	Bishopsgate Trust	92	5.2	137	58	31	6	5	102	233
6	City of Oxford Invest. Trust	109	7.2	142	100	—	—	—	98	283
77	Hambros Invest. Trust	199	4.3	274	49	42	5	4	100	267
8	xRosedimond Invest. Trust	140	—	181	98	—	—	2	134	308
	Henderson Administration Ltd.									
187	Witan Investment Co.	151	3.5	210	47	27	20	6	103	328
33	Electric & General Invest. Co.	121	2.9	173	49	36	8	7	100	218
11	Greenfriar Invest. Co.	182	1.6	232	45	24	21	10	106	277
9	Lowland Invest. Co.	85	6.6	107	89	3	—	8	101	259
	Philip Hill (Management) Ltd.									
14	General & Commercial Invest. Trust	195	6.9	259	72	25	—	3	97	208
31	General Consolidated Invest. Trust	112	7.5	161	71	25	—	4	96	220
174	Philip Hill Invest. Trust	123	7.1	176	74	23	—	3	94	235
8	Moorgate Invest. Co.	164	6.4	167	90	8	—	2	98	306
47	Nineteen Twenty-Eight Invest. Trust	81	7.7	124	57	40	—	3	93	181
	Industrial & Commercial Fin. Corpn. Ltd.									
14	London Atlantic Invest. Trust	103	6.6	124	78	13	—	9	96	259
9	North British Canadian Invest. Co.	117	5.9	129	96	2	—	2	100	†
	Ivory & Sime Ltd.									
101	Atlantic Assets Trust	266	0.5s	329	52	46	—	2	98	422
141	British Assets Trust	104	5.5	139	36	58	—	6	105	225
65	Edinburgh American Assets Trust	113	1.0	133	21	65	7	7	111	260
41	Independent Invest. Co.	147	0.0	146	48□	50	—	2	81	†
48	Viking Resources Trust	96	1.0	116	11	87	—	2	100	365
	Kleinwort Benson Ltd.									
38	British American & General Trust	49	6.9	74	56	27	10	7	95	204
37	Brunner Invest. Trust	81	5.0	110	48	30	10	12	100	257
46	Charter Trust & Agency	73	6.3	111	59	25	9	7	99	210

Total Assets less current liabilities (1) £million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	Geographical Spread: UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Gearing Factor (10) base=100	Total Return on N.A.V. over 5 years to 30.6.81 (11) base=100
	Kleinwort Benson Ltd. (contd.)									
57	English & New York Trust	90	6.4	138	53	32	7	8	100	193
6	Family Invest. Trust	118	7.3	135	97	—	—	3	95	†
5	Jos Holdings	77	6.2	91	71	13	10	6	106	†
9	London Prudential Invest. Trust	110	6.3	149	66	19	8	7	95	†
76	Merchants Trust	97	6.1	143	52	30	9	9	97	†
	Lazard Bros. & Co., Ltd.									
67	Raeburn Invest. Trust	154	5.9	239	55	31	6	8	98	178
54	Romney Trust	127	4.9	179	31	42	16	11	97	187
	Murray Johnstone Ltd.									
68	Murray Caledonian Invest. Trust	73	*4.5	108	47	33	11	9	105	208
98	Murray Clydesdale Invest. Trust	68	*3.5	99	44	36	13	7	104	199
26	Murray Glendevon Invest. Trust	136	*2.8	197	51	26	12	11	112	207
34	Murray Northern Invest. Trust	87	*2.9	119	33	31	18	18	101	206
109	Murray Western Invest. Trust	85	*4.0	125	47	35	12	6	102	196
	Rivermoor Management Services Ltd.									
143	London Trust Co.	90	5.6	118	55	19	—	26	121	284
19	Moorside Trust	73	6.8	94	52	36	1	11	92	243
44	River & Mercantile Trust	130	8.2	182	70	4	8	18	98	247
	J Henry Schroder Wagg Group									
31	Ashdown Invest. Trust	192	4.6	281	50	40	8	2	94	205
44	Broadstone Invest. Trust	218	4.7	312	48	41	7	4	95	216
69	Continental & Industrial Trust	268	5.9	396	55	42	—	3	100	199
44	Trans-Oceanic Trust	84ac	4.0	120ac	36	47	9	8	95	207
	Stewart Fund Managers Ltd.									
108	Scottish American Invest. Co.	143	4.0	187	49	37	5	9	94	266
	Throgmorton Invest. Management Ltd.									
12	Throgmorton Secured Growth Trust	142	—	193	100	—	—	—	—	208
64	Throgmorton Trust	114	7.5	147	99	—	—	1	101	320
	Touche, Remnant & Co.									
151	Atlas Electric & General Trust	89	5.3	131	66	16	6	12	104	235
44	Bankers' Invest. Trust	72	7.8	112	73	17	5	5	99	206
22	C.L.R.P. Invest. Trust	94	5.3	144	59	15	5	21	107	206
44	Cedar Invest. Trust	91	7.2	130	67	13	6	14	99	213
54	City of London Brewery & Inv. Trust	74	8.5	110	93	3	—	4	97	226
40	Continental Union Trust	153	5.8	226	61	20	3	16	108	192
262	Industrial & General Trust	75	5.7	113	66	18	4	12	105	225
54	International Trust	95	6.2	146	71	15	9	5	104	199
75	Sphere Invest. Trust	151	5.9	233	64	22	6	8	109	211
52	Trust Union	78	5.6	112	61	20	8	11	106	218
97	Trustees Corporation	70	6.0	103	73	11	3	13	105	234
	Williams & Glyn's Bank Ltd.									
3	Atlanta Baltimore & Chicago	79	1.8	95	13□	87	—	—	92	167
4	West Coast & Texas Regional	89	2.1	111	11□	89	—	—	95	158
	VALUATION THREE MONTHLY									
117	Anglo-American Securities Corporation	133	5.1	197	60	23	8	9	97	177
21	Dundee & London Invest. Trust	91	6.1	123	72	15	9	4	95	220
4	Lancashire & London Invest. Trust	80	4.7	109	86	12	—	2	86	†
37	North Atlantic Securities Corporation	133	4.6s	184	55	26	9	10	97	181
11	Oil & Associated Invest. Trust	87	5.7	105	59	36	—	5	96	183
15	Safeguard Industrial Investments	105	7.9	134	100	—	—	—	97	245
14	Scottish Cities Invest. Trust	291	5.2	410	87	7	—	6	83	†
17	Scottish & Mercantile Invest. Co.	230	4.4	304	86	14	—	—	99	†
21	Yeoman Invest. Trust	121	7.5	167	79	13	1	7	99	227
11	Young Companies Invest. Trust	126	6.8	166	85	5	4	6	96	314

NOTES TO THE TABLE

† No data.
x Split capital trust (capital shares).
* Applies to Ordinary/"A" Ordinary only.
s Does not include special dividend.
□ More than one quarter in non-equity investments.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.

(a) Cols. 1, 3 to 5 — Figures supplied by Wood Mackenzie & Co., members of The Stock Exchange. Col. 1 to nearest £1m; Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5 — Statistics simulated to date shown based on latest valuations supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4 — Based on last declared dividend or firm forecast, plus tax credit, to nearest 0.1 per cent.

(d) Cols. 6 to 9 — Percentages of total assets less current liabilities. Currency balances are allocated to the relevant geographical sector.

(e) Col. 10 — The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'Investment Trusts today'.

(f) Cols. 5, 11 — Prior charges and preference share capital deducted at market value; convertible stocks deemed to be converted; warrants treated as not exercised.

(g) Col. 11 — Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the information shown in this column is given in the Investment Trust Year Book. In summary, the figures show the percentage changes in the net asset values over the period assuming that dividends paid, excluding tax credit, were reinvested in the underlying assets of the company.

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	225
F.T.-Actuaries All Share	254
*Standard & Poors Composite	91
*Capital International World	103

*Adjusted for exchange rate changes.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movements between two particular dates. Any particular total return figure may thus be affected by exceptional factors, operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio should be considered in assessing its relative performance.

While the total return statistic, if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability, the statistics of net asset value have been calculated on a uniform basis which may, in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, ie with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes.

PROPERTY

The first garden city: living in the park

BY JUNE FIELD

IT WAS one of those rare perfect summer evenings on the terrace by the lake at The Holme, in the Inner Circle, Regent's Park, when I went to the opening of "The Regent's Park Villas and the People who Lived in Them."

If you are thinking of living in the Park or its environs then the delightful exhibition, sponsored by The British Land Company in aid of the Bedford College Appeal Fund, is an essential part of a property tour, and it is open all week 12 noon to 5 pm until August 31, including the Royal Wedding day on Wednesday.

Although the exhibition obviously only portrays the historical background to Nash's grand villas (the original 56 were reduced to 26, then only eight built, and only four survive — The Holme, Grove House, Hanover Lodge, and St *John's Lodge), it sets the scene* satisfactorily for what is actually for sale now in the equally grand terraces.

For instance, The Holme was built by James Burton for himself in 1818, with his 18-year-old son Decimus as architect. The same team were responsible for Cornwall Terrace, the first terrace to be built in the south-west corner of the estate, and No. 1, the "pavilion" at the western end, formerly a High Commissioner's residence, is for sale at a substantial six-figure price for the 95-year Crown lease. The superbly renovated property near the Boating Lake includes six bedrooms, five bathrooms, 50 ft drawing room with distinctive caryatids adorning the bow window, plus staff accommodation and a three-bedroom mews with a five-car garage and one-third of an acre garden. (Colour brochure from Mr Richard Crosthwaite, Knight Fank and Rutley, 152, Sloane Street, London, SW1.)

The scholarly publication, Regent's Park—from 1086 to the Present, by Ann Saunders, former archivist at St Marylebone Public Library and re-issued to complement the exhibition, makes an excellent guide to the areas as well, taking us from Portland Place and the elegant Park Crescent, where the original lessee, Charles Mayor, went bankrupt when he had built only six houses, to what remains of Park Village West and East, groups of charming houses begun by Nash and completed by Pennethorne; Sir John Summerson refers to them as "among the most amiable curiosities of the Picturesque."

London's first garden city was originally planned in 1811 by John Nash for the Prince Regent on the Crown's Marylebone Park Estate, and the intriguing background of this 470-acre oasis of parkland in North West London, with its surrounding dwellings, is admirably discussed in Sir John Summerson's *The Life and Works of John Nash, Architect*, published last year by George Allen and Unwin.

As Sir John points out, it had been hoped that as soon as the Act for the New Street had been announced, there would be a rush of wealthy people and ambitious builders to take leases: "But nothing of the sort happened. Nobody, it seems, not even architects, believed that the new street would ever be built."

Eventually, though, "the men of rank and fortune" that Nash courted, came to lease what a French visitor, Viscomte Charles d'Arlincourt, in *Three Kingdoms*, 1844, called "the countless number of mansions adorned with colonnades, porticoes, pediments and statues (in) a scene of enchantment where we might fancy ourselves surrounded by the quiet charms of a smiling landscape. . . ."

Most of the names in the Park derive from the titles of the Royal Family, Hanover for their heriditary kingdom, Cornwall for the Prince of Wales, Clarence for the duke who was Lord High Admiral; and the King's brothers — Ernest, William, Augustus and Frederick were commemorated in streets around the canal. And the rustic ambience of what have been called "the habitations of princes" remains — at a price of course.

"The best barometer of prices is that at the end of last year there were various houses on offer in Chester Terace, at say £275,000 for one in bad condition, to just over £300,000 for one ready to walk into" an agent told me. "Suddenly they all sold, so now £325,000 is about the asking price for anything else that comes up in this terrace."

Anscombe and Ringland claim to be one of the principal estate agents involved in the majority of transactions taking place in and around the park.

"We are concluding sales in all of the terraces, as well as finding new tenants in respect of the short leases in Park Village East and West," says Mr Martin Butchoff, director of Anscombe and Ringland, 8 Wellington Road, St John's Wood, NW8, who will send particulars of what is on offer. You can take your pick from period elegance in apartments in Clarence Terrace (£175,000 to £375,000), to more modern offerings in Nash House adjoining Park Village East, £110,000.

The renewal of short-term Crown leases is a particularly sensitive area at the moment, and most agents regard it as a delicate situation which needs *to be handled with considerable* care and discretion so they prefer not to be drawn too deeply into discussion. The original Crown leases of 99 years contained certain conditions such as a lessee having to covenant to "clean, recolour and rejoint in imitation of Bath stone the outside stucco or mastic work . . . in the month of August." I noticed a similar operation under way this week as I drove to the Inner *Circle to the Open Air Theatre*, another of the Park's traditional amenities where you can see Shakespeare and Shaw until the end of the month.

Freehold family houses come up for sale in Prince Albert Road, along from the Zoo, opposite Canalside Walk, where little boats—Emmeline, Doodi and Gaye Dawn, bob up and down by the Peking Cuisine Restaurant craft in the Cumberland Basin. There is a pair of mid-19th century seven-bedroom family houses on offer in the region of £165,000, for number 22, and in the region of £210,000 for 21; as this one has the lower ground floor modernised as a staff flat. (Details from the joint agents, Mr Roger Tydeman, Daniel Smith, 157 Kennington Lane, London SE11 and John D. Wood, 103 Parkway, London NW1.)

In York Street, near the top end of Baker Street, which agents promote as "near Regent's Park," there is a brand new maisonette and apartment development built on a derelict site by Samuel Properties with the Elsworthy Sykes Partnership as architects. The tall elegant traditional Georgian-style building has been very carefully matched into the existing terrace, with balcony railings made from the mould taken from an old house in the road.

Although the project is not yet fully completed, and little promotion has been undertaken, some half a dozen of the 21 apartments, including the show flat, are already sold subject to contract. Prices range from £59,950 for one-bedroom accommodation, to £79,950 for good size one-bedroom apartments with a stylish studio gallery.

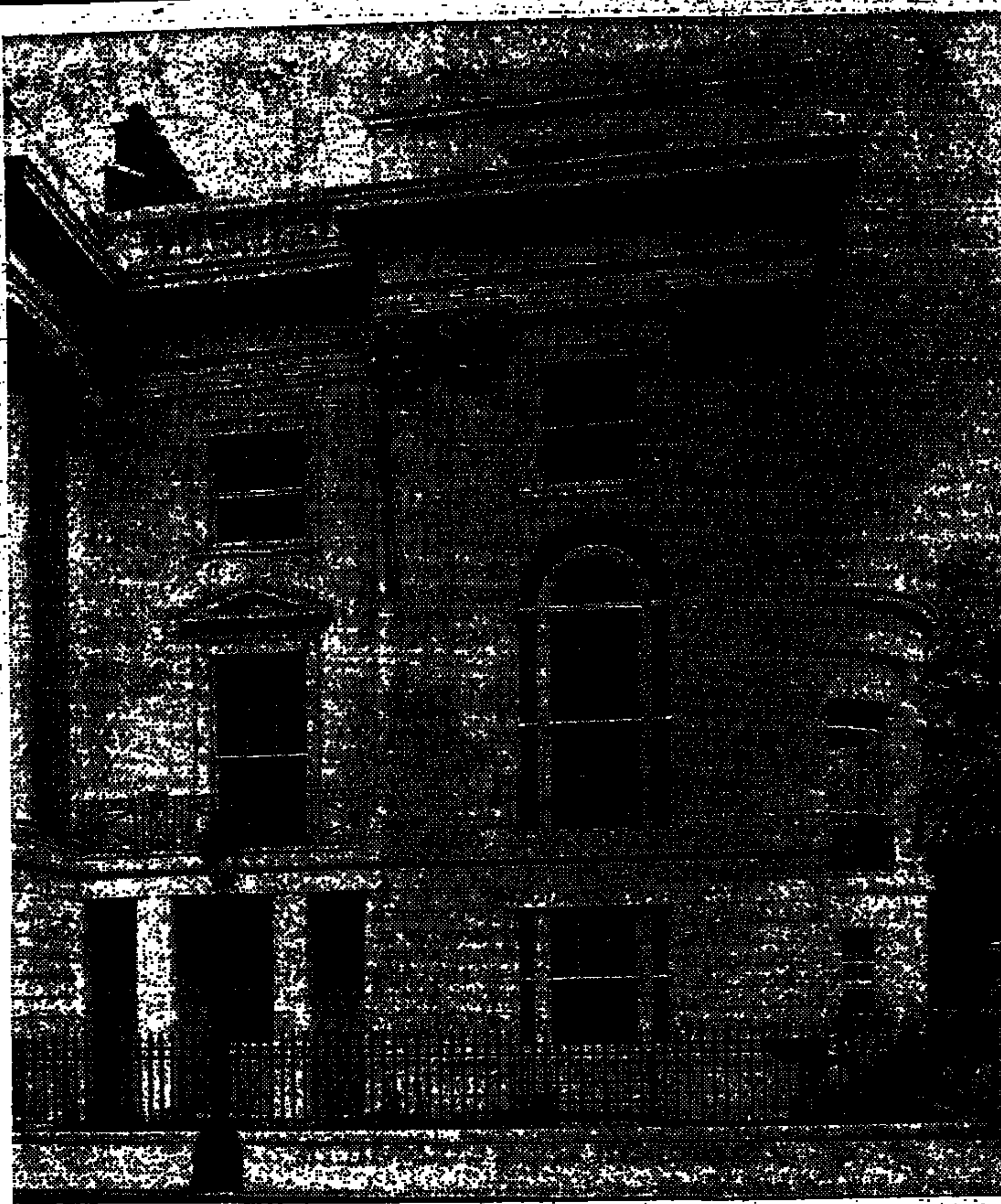
There are also two and three-bedroom patio-apartments which have their own street entrances, as well as four-bedroom, three-bathroom duplex apartments, and three-bedroom penthouses. Illustrated brochure and appointment to view the new show-flat from Mr Stephen Benjamin, partner, Druce and Company, Druce House, 54/56 Baker Street, London, W1 (01-486 9851).

Note: For a catalogue of The Regent's Park Villas exhibition send £1.25 to Pat Salmon, The Holme, Inner Circle, Regent's Park, London, NW1, or £2.50 for Ann Saunder's book, saying whether you want to be kept informed of a Friends of The Holme Association which is being planned to bring together residents and friends who live in the area. Sir John Summerson's book on Nash is £20 in a bookshop, or plus £1.75 postage from Victoria Carew-Hunt, publicity office, George Allen and Unwin, PO Box 18, Park Lane, Hemel Hempstead, Herts.

TWENTY-FOUR flats at Fountain House, Park Lane, each with a view over Hyde Park, are for sale through Hampton and Sons from £390,000 to £555,000.

This is claimed to be the first residential development of a major block of flats on Park Lane for 30 years. Fountain House was designed by George Gilbert Scott, the architect of Liverpool Cathedral and Broadcasting House.

There are two show flats, one furnished in a modern style and one traditionally. Materials used include Thai silk wool coverings, hand-painted decorative mirrors, hand-made and hand-painted curtains, and best quality crystal chandeliers.



Elegant 6-bedroom, 5-bathroom villa in Cornwall Terrace, in 1-3rd acre in Regent's Park, near the Boating Lake, is for sale at a substantial six figure price through Mr. Richard Crosthwaite, Knight Frank & Rutley, 152 Sloane Street, London, SW1 (01-629 8171)

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TRAVEL

Two of our correspondents discuss the variety and delights of England's far north

Variety pack

PERHAPS you have not thought of Consett's deserted steelworks as the hub of a tourist area. Until recently, I certainly hadn't, but then Northumbria is full of astonishments. Within a radius of 20 miles of Consett is a variety of *holiday*making potential that would be difficult to better, from wild uplands, historic towns and the whole gamut of ancient and *modern* archaeology to haunted castles and some pretty memorable gastronomic surprises.

NORTHUMBRIA

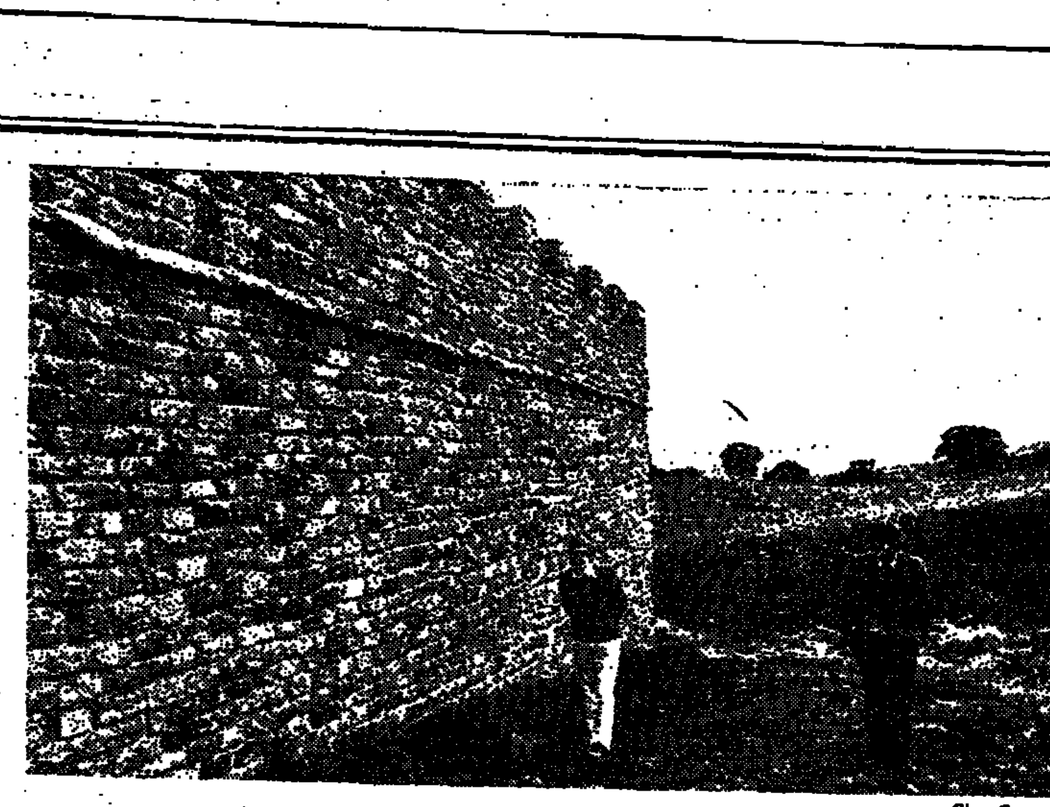
SYLVIE NICKELS

To take last things first, the teatime spread that awaited us at the Lumley Castle Hotel at Chester-le-Street (about *a dozen* miles east of Consett and roughly half-way between Newcastle and lovely Durham) needed to be seen *to* be believed. The table groaned under an assortment of sandwiches, crumpets, scones, jams, cakes and great *bowls of* whipped cream. It almost compensated for the fact that we did not coincide with one of the hotel's famed Elizabethan banquets, though we did see the hall where these take place and corridors and rooms of this extremely romantic and largely 14th century pile.

It is also blessed with particularly pleasant staff and a ghost, *and no* doubt both provide good reasons why Visit Northumbria have chosen Lumley Castle as the setting for their Boggle week-ends *which* combine ghost-hunting with gracious living. All-in rates for these are £56 and the next ones take place in September.

Visit Northumbria's programme focuses on a number of the region's special features, not least of which are the sites associated *with early* Christianity. Lindisfarne, that Holy Isle ravaged by the Vikings, just off the coast south of Berwick, is one. Jarrow is *another. Here* 1300 years ago was one of Europe's great centres of scholarship; here the Venerable Bede worked on his chronicles and his commentaries that became the "best sellers" of the 8th century. Today the little church of St. Paul and nearby 18th century Jarrow Hall overlook industrial wasteland on the southern banks of the Tyne; but the church still has much that is Saxon including the oldest stained glass in Europe; and Jarrow Hall houses the beautifully assembled Bede *Monastery Museum* which *tells* us a great deal about the probable life and strife of those times. "Anglo-Saxon food" is *planned for the Museum's* coffee-bar.

Northumbria scores well for good museums of the kind in which *the acquisition of knowledge* is totally painless.



At the foot of Hadrian's Wall

Glyn Genin

Another *is* Beamish Museum, near Stanley, roughly half way between Consett and Lumley Castle, where a unique collection re-creates the *North of* England community spirit of a past way of life.

A working railway station (steam, of course), a colliery with attendant pit cottages furnished in styles of different periods, and an expanding urban area are *only* some of the features of this extensive open-air museum which offers something for most tastes and ages. So, in its different way, does the Hunday National Tractor and Farm Museum, north of the Tyne and 14 miles west of Newcastle.

It was while engaged on this museum circuit that I came upon a homely gem of a pub. It is curious country this New*castle fringe* area, in which undulating industrial townlets and suburbs sometimes merge into each other and sometimes allow the intrusion of rolling farmland. In the middle of it, *near Stanley*, is Tantobie and the little Oak Tree Inn, where Sylvia Hurst produces a limited menu of splendid home cook*ing at remarkable prices. Our* three-course Sunday lunch, which included roast beef with traditional trimmings and *five* vegetables (all *fresh*), was under £4.

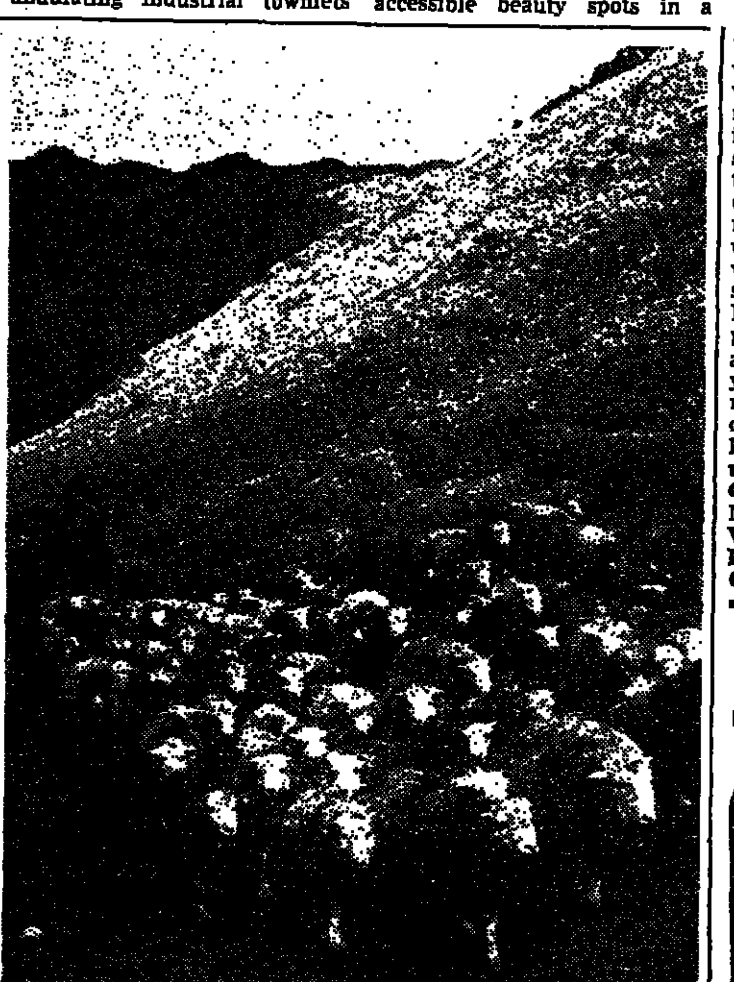
A mere dozen miles west of Consett and you find yourself in the heart of a totally different Northumbria. Here the wide and attractive waters of Derwent reservoir partly fill a valley whose narrow upper reaches eventually lead high into the Pennines. Along it, Blanchland is an exquisite village huddled beneath the steep moor, one of the more easily accessible beauty spots in a region in which beauty spots proliferate.

Indeed, there are plenty of little reservoirs dotted about the Pennine valleys, but for one of the biggest man-made lakes in Europe you need to travel a little further afield: about an *hour's* drive north-west to Kielder Water, set in one of Europe's largest man-made forests, Kielder Forest. Inevit*ably, between them these have* dramatically re-shaped a substantial corner of remoter Britain, but both offer wide ranging amenities to visitors in a setting that, in terms of man-created landscapes, is very remarkable.

On the way to Kielder Water *you will have crossed* Hadrian's 80-mile Wall, Britain's most massive archaeological site, combining with superb walking country to offer the alternatives of several fine museums. On this occasion I visited that of Vindolanda (between Halt*whistle and Haydon Bridge*) whose gradual expansion has made it the largest of its kind in the north of England. The *site had a longer occupation* than most, both military and civilian, and the displays in the museum attached to the site, as *well as the excellent audio*-visual presentations, are splendid. The latter include a Roman Mum in her kitchen *preparing a meal* of duck with a rich herb sauce, with her young family round her. In museums like this, history becomes very real.

Further information: Northumbria Tourist Board, 9 Osborne Terrace, Jesmond, Newcastle upon Tyne NE2 1NT; Visit Northumbria, Travel House, 35-37 Claypath, Durham City DH1 1TP.

Fitness test



ULVERSTON, AN attractive cobbled market town with its own brewery (Hartleys Real Ale), hand-blown glassworks, and theatre trust is the birthplace of Stan Laurel, of Laurel and Hardy. It is also the start of the 70-mile Cumbria Way which passes through the National Park using footpaths and rights of way to Coniston, Keswick and Carlisle. *For any*one who is fit, enjoys a good walking challenge and has five days to spare, it is a good short holiday.

The requirements are ordnance survey maps, stout shoes or boots, rucksack and *waterproof clothing; perhaps* compass and plasters. The guide is John Trevelyan, author of *The Cumbria Way* (second edi*tion. 1981 costs 85p from* Dalesman Books) who takes his walkers on lesser used paths. He only occasionally uses short *stretches of minor roads and* avoids the high peaks. By keeping to the valleys and medium-height passes his walk is "less *susceptible to the vagaries of* the weather." Still, there is plenty of dramatic mountain and lake scenery.

CUMBRIA

ANNE HILLS

That can begin on the train from Lancaster (where a railway car park down a sidestreet is available for passengers). The track to Ulverston, which crosses estuaries and Grange Over Sands, is one of British Rail's most enticing routes.

We stayed in Ulverston's Railway Hotel. A double room *cost £17*. We had haddock and gammon dinners in the bar lounge for under a fiver. The total cost in Ulverston turned out to be an average—five comfortable nights and days cost £60 a head (excluding train fares).

The first day's route to Coniston looked as though it might pass a pub or shop. It didn't—and we survived on *reserves* of chocolate and water from streams.

The walk starts following a bubbling mill stream, climbing *through undulating* fields and kissing gates. Backward glances reveal the sea and the monument on Hoad Hill which commemorates Sir John Barrow, the Victorian geographer. An open meadow leads to a church; views of Scafell Pike (3,210 feet) open up.

The variety of stiles is a delight: from narrow gaps in dry stone walls to wooden ladders over the tops. Our first day was warm, and the climbs quite steep before Beacon Tarn—a *half-mile* long stretch of poetically glass-clear water—came as an early afternoon reward. Picnic parties and splashing dogs indicated that this is the beginning of the tourist centre.

Miles of sheep grazing land lead through glades to stepping Coniston Water. A lakeside path gives close ups of sailing boats, *stones across* a river *and on to* wind surfers and paddlers. One of the local attractions is the 1859 restored steam yacht *Gondola* which *hosts* lake cruises.

We took a walk round the narrow head of the lake after an early high tea/supper in Coniston: Bank Ground Farm, two miles from the village, is on rising meadows just above the lake. Mrs Batty was overbooked —so we shared a caravan with 200 dolls dressed for a night out —her winter hobby. She charged £4 a head for bed and breakfast (her usual rate is £8.75 with evening meal).

All bookings should be made well ahead and confirmed in the holiday season. The snag is that farms and hotels are not keen to accept walkers for one night when they could lose a week's booking. The Cumbria Tourist Board have a booking service —but start with holiday guides from bookshops and libraries. The Youth Hostels Association has several hostels on the way— for instance at Elterwater and Keswick.

On the second day we rejoined the route which begins at Coniston at the head of the valley where Tarn Hows Cottage serves teas during summer weekdays. Nearby is Tarn Hows, a lake fringed with larch, pines and shrubs. From there the morning's walk brings trecks along stoney paths, lanes, and branches off to magnificent falls in a valley near Colwith. Trevelyan, who leaves *happy surprises*, does not mention them— perhaps because they are partly diverted to a mini power station. Skelwith Bridge is a convenient lunch-time stop with a popular pub/hotel.

After lunch (about *six miles* from Coniston) the river walk leads to Force Falls and on to Great Langdale via Elterwater village.

Rothay Bank Hotel (double room £19) at Grasmere is the far end of town from Wordsworth's *Dove Cottage, where an* extra museum is to be opened this season in an adjacent cottage. The Wordsworth Hotel in the middle of *Grasmere* is being rebuilt to four star standard.

On Day Three a friend gave us a lift to *Dungeon Ghyll, back on* the track *(alternately we would* have taken a route over the hills to Borrowdale, by-passing Great Langdale). Great Langdale ends in a dramatic cul-de-sac of mountains. It is almost an amphitheatre where tiny *figures might* be seen high on the right—indicating the steep, half-an-hour slog to the top. Here fitness is tested.

From the top Stake Pass presents a bleak, craggy prospect and a couple of miles go by before Langstrath Beck and the valley floor appear. The descent is made more pleasurable by watching others toil upwards. Several more miles further on is Rothwaite where Borrowdale broadens. We reached the shop and pub there just before closing time; four hours after leaving Dungeon Ghyll.

Now Trevelyan takes his walkers beside a river, through woods and by piles of slate in an old quarry—and on to Derwentwater. Cheating a little, we succumb to the temptations offered by Keswick Launches—"see the jewel of the English Lakes from the comfort and character of a lakeland launch." One of half a-dozen stops around the lake is right on the route at Brandelhow The views were stunning, and the boat saved about three to four miles around the shore, landing us in Keswick for 80p each.

Then to Day Four. Keswick is an excellent stocking-up centre. It is sensible to take *an assortment of fruit, cheese* and chocolate before the gradual, long climb. The way out of town is past the dere*lict railway station and over the by-pass* which gives Trevelyan cause for a lecture on intrusions in a National Park.

It approaches the skirts of the Skiddaw range and swings round into Glenderterra, on a high path above the beck in this deep, nearly treeless valley. Skiddaw House, with a row of once-lived-in cottages at the top on windy moorland comes as a surprise. From there the choice is a high pike route, direct to Caldbeck or, for the more cautious, a longer way beside the Dash Falls (worth pauses to admire) and on towards Bassenthwaite Lake.

Instead of reaching the village and waterside, route followers treck through forest. At the top of a climb the path comes out of the more populated central lakes area near a small tarn before taking to *the road for a while*. It eventually reaches a moorland track, meets a trio of farms, and hugs a low *hillside before arriving at Nether Row (home of Chris* Bonington).

At Hill Top Farm Mrs Stott took great care in preparing a welcome repast—the walk could not have been much under 20 miles. With home comforts and breakfast the bill was £7.50 a head.

The recommended stop in the booklet is Caldbeck, a couple of miles further. That's an attractive, unspoilt village with accommodation, and best known for the ornate grave of John Peel. Trevelyan recommends a visit to Howk, "a limestone *gorge containing the remains* of a former bobbin mill."

From here it is about 13 miles to Carlisle by way of *more woods, streams and vil*lages. Sadly, we did not have time to complete that fifth day and caught a bus to Penrith on *market day* (Tuesday). From there (and from Carlisle) trains run frequently to Lancaster (which is nearly 250 miles from London).

Further details about walks on unofficial paths from The Ramblers' Association, 1-5, Wandsworth Road, London SW8.

THOSE who hoped to see Shergar dispose of his "King George" rivals *with an over*whelming superiority, now that Swinburn is back in the saddle,

RACING

DOMINIC WIGAN

may again be disappointed.

It seems more probable that only in the "arc" will the colt (the stallion property of a syndicate following his £10m *syndication* but still racing for the Aga Kahn) be asked to show his true merit. For although wide margin successes such as those achieved at Sandown, Chester and Epsom may, at the time, appear to be taking little or nothing out of a colt of Shergar's seemingly massive superiority, the combined effects are often more telling over something approaching a full season.

If, as is likely, that admirably courageous four-year-old, Light Cavalry, sets an exacting pace in the hands of Lester Piggott, I expect Swinburn to be quite content to track the pace setter —*until the turn* into the home straights. From there it is likely that Michael Studd's unflappable young jockey will want to be ahead *and—what is even more* likely—he will be seen taking the odd backwards glance to monitor the progress of Master Willie and Pelerin.

Both Master Willie and Pelerin, who put up such a *polished display when disposing* of Light Cavalry by three lengths in the Hardwicke Stakes, will be doing all they can to *take back the Derby winner* in the short straight, but it is doubtful if Shergar will become even aware *of* their exertions.

A second probable winner for Stoute and his stable jockey is the much-acclaimed Circus Ring, whose seven-lengths victory over Wintergrace at the July meeting left no one in doubt that she is already entitled to be considered among the best of her age and sex. Circus Ring, who looked as though that outing would bring her on a good few pounds, should have too much pace for Atossa and Cricket Field in the *Princess Margaret Stakes.*

ASCOT

2.00—Cracking Form**
2.35—*Circus Ring****
3.20—Shergar
3.55—Chase the Wind*
4.25—Crispin
5.00—Atlantic Boy

BEVERLEY

1.45—Omar Khayyams Son
2.15—Cardinal Flower
2.45—Witch's Point
3.45—Cyril's Choice

NEWCASTLE

1.30—*Walter Mitty*
2.00—Fandango Time
3.00—Rasa Penang

MOTORING

Japan's tough cruiser

BY STUART MARSHALL

THE HEATHER was up to the *hubs and rabbits scurried over* the hillside in numbers I hadn't seen since pre-myxamatosis days in the South. Hen grouse ran droop-winged ahead of the Toyota Land Cruiser four-wheel drive estate car, leading it away from their coveys of chicks. In the far distance, the North Sea shone like polished pewter.

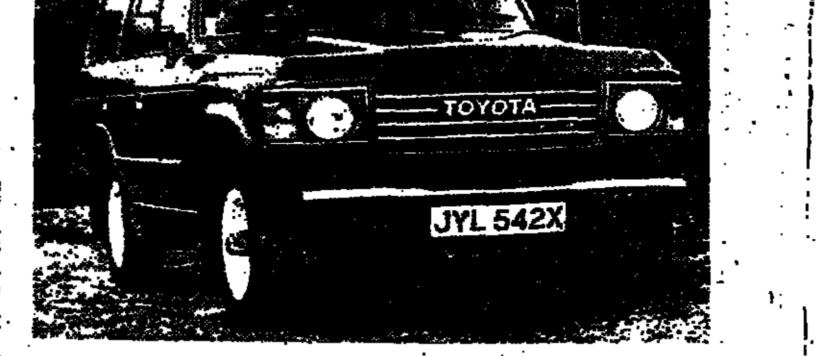
The gamekeeper who had been guiding me over the higher reaches of the Gannochy Estate, near Glen Esk, had been impressed at the way the Land Cruiser had climbed so strongly and comfortably to the summit. *We stopped to take in the* panorama. "What really surprises me," he said, "is that this is quieter than my Land-Rover —and that's petrol engined."

Toyota GB, who this week re-introduced the Land Cruiser to Britain, are either lucky in their timing or unusually far-seeing. The only version they are bringing in is a diesel-powered, four-door estate. It sells, comprehensively equipped, at £10,450, which is nearly £4,000 cheaper than the four-door Range Rover which made a welcome if belated appearance two weeks ago. (This column, July 11.)

Its 3.9 litre, six-cylinder diesel engine, which surprised me as much as it did the gamekeeper *with its extreme quietness*, gives an on-road fuel consumption of up to 25 mpg, cruising at 55-60 mph. And this in a week when tax reduction began to make Derv widely available at a lower price than regular grade petrol. (I saw two inner London filling stations on Saturday where Derv was 146p and 148p a gallon compared with regular petrol at 163p and 164p).

Comparing the Land Cruiser with the four-door Range Rover is inevitable because the two vehicles will attract a similar kind of buyer. They are both five-seat estate cars, nicely trimmed, able to cruise at 80 mph or more on the motorway, high-slung and rugged enough to deal with rougher terrain than most owners venture upon. They will climb—and safely descend—45 degree slopes, wade shallow rivers and pull loads of up to 3.5 tons.

But they are also different.



The Toyota Land Cruiser diesel estate. A cheaper and less thirsty alternative to a Range Rover, if not quite its equal

Visually, the 11-year-old Range Rover has an up-market elegance none of its newer competitors can match. The Land Cruiser is more like an American four-wheel drive station wagon after a much-needed slimming diet. The Range Rover is a far more sophisticated machine, with permanent four wheel drive and a lockable centre differential. It holds the road and handles better than any comparable vehicle I have driven, though the Daimler-Benz Geländewagen is a possible rival.

The Land Cruiser's transmission is more like a Land-Rover's. On hard roads, it stays in rear-wheel-drive, high range, with the front hubs free-wheeling. For offroad work, you lock the hubs (it takes a couple *of seconds but you must get out* of the car to do it) and have a choice of high or low range in four-wheel-drive. It is very high geared *for* on-road economy. The tiny tachometer shows that the governor cuts in at 4,000 rpm, which equals a little over 30 mph in second gear, 60 mph in third in the wide ratio box. At 70 mph the big diesel is turning over at 3,000 rpm, so quietly that the loudest mechanical noise is the whirring of the injection pump. At the 90 mph maximum, the engine is not quite "on the governor" and doesn't seem particularly hard worked.

With the weight of the engine (and two massive 12v. batteries to power the 24v electrical system) up front, the Land Cruiser understeers strongly when hurried along winding roads. The power steering is very light—though not as vague as you would find on an American 4x4—and parking is effortless. If you judge a large, on-off road estate mainly by the way it can be hurled round corners, the Land Cruiser would disappoint. Unlike the Range Rover, it doesn't *like being* treated as an overgrown sports car. The leaf springs give a good ride on highways but they *are not the equal of the Range* Rover's soft though well damped coil springs on rougher going.

But if you want seating room for five people, massive carrying capacity, off-road capability and remarkable fuel economy for this class of vehicle, the Land Cruiser is a winner.

Toyota GB plan to sell 200 of them here in the remainder of 1981, perhaps 350 in a full year. Until the Daimler-Benz Geländewagen four-door diesel arrives here in the late autumn, nothing else like it is available. *It would be a splendid car for* anyone with a big family and a liking for adventurous holidays. Or for an owner who works his *car hard all week, tows a horse*-box or heavy boat trailer at the weekend and doesn't want to spend a small fortune on fuel.

WHEN YOU break a windscreen, it pays to shop around. My long term Peugeot 305's screen shattered — for no obvious reason — but stuck together while I drove 20 miles home.

One screen replacement specialist out of Yellow Pages quoted £67 for a laminated glass; another wanted £82. Both offered to do the job immediately at my home. The local Peugeot agent wanted £52.31 for the screen plus "about £20" for labour. I would have to drive the car to his workshops—and *it would* take him three or four days to obtain the screen. There is no need to guess who did the job —or why the garage trade is losing so much work to the specialists.

MOTOR CARS

TRAVEL

TRAVEL

NOTICE

WELWYN HATFIELD COUNCIL BILLS £980,000.00 Bills were issued on the 22 July 1981 to mature on the 21 October 1981 at 13⅛ per cent. Applications totalled £6,360,000.00 and there are £980,000.00 Bills outstanding.

NOTICES COMPANY

ROCK DARHAM LIMITED

Under the terms of a conditional agreement dated 21st December 1978 relating to the acquisition of the whole of the issued share capital of *Rock Motor Parts Limited* which was confirmed by the company in Extraordinary General Meeting on 9th March 1979 the deferred consideration of £503,970 for the purchase has now been satisfied *in full by a further issue* of 5,039,700 ordinary shares of 10p each at 10p per share to the vendors of Rock Motor Parts Limited, the conditions for the deferred consideration having been met in full. The *company auditors*, Jeffrey I. Wine and Co., have certified that the profit of Rock Motor Parts Limited, before taxation only, for the three years ended 31st December 1980 amounted to £906 77. The whole of the further issue has been made to a director of the company, Mr J. A. Darham, including family interests. These 5,039,700 ordinary shares of 10p *each* have now been admitted to the daily official list by the Council of the Stock Exchange, and as a result of this issue Mr J. A. Darham and family now hold 69.86 per cent of the equity of Rock Darham Limited.

BOOKS crime fiction for holiday reading

What happened to Wimsey's creator?

BY W. W. ROBSON

Dorothy L. Sayers: The Life of a Courageous Woman by James Brabazon. Gollancz. £9.95, 308 pages

Something may be learned from a biographer's way of naming his subject—in this case, Dorothy Leigh Sayers (1893-57). "Dorothy Sayers" is usual, but it is a bit lengthy for constant repetition, and anyway she always insisted on her "L." "Sayers" is favoured by tough, modern, *egalitarian* critics, but it makes her sound like a lesbian, which she was not. "Miss Sayers" is icy. Mr Brabazon settles for "Dorothy." Perhaps it is too familiar. But he was personally acquainted with her. And his general tone is one of friendly affection. Not that he is uncritical. Indeed he seems to me a shade over-critical. But that is better than fulsomeness.

The creator of Lord Peter Wimsey was a very private person. Like many craftsmen and artists, she firmly believed that, as she once wrote to her son, "what we make is more important than what we are, particularly if making is our profession." She did not want a biography of her to be written until at least 50 years after her death. But Mr Brabazon, with the consent of friends and relatives, has done this "authorised" life 20 years after. And his work justifies itself. It is well written, well-organised fair-minded, candid.

Dorothy L. Sayers had a secret. Her son was born out of wedlock. This fact will cause less flutter than it would have done in her lifetime. And it has already been revealed in Janet Hitchman's "unauthorised" biography, *Such a Strange Lady* (1975). Perhaps Mr Brabazon had it in mind when he chose his rather mysterious subtitle. Was she courageous? Surely it would have been courageous, especially at that time, if she had acknowledged the child openly. But she did not. He was brought up by a cousin of hers. However, it may be that we are to see "courage" as the leading motif of her life. I cannot quite see this. She was forthright and outspoken. She was often flamboyant: *she could be over-emphatic.* There was a trace of coarseness about her strong incisive mind. She could be a little vulgar, which she acknowledged, seeing it (rightly) as *part of her strength as a writer.* But for none of this is "courage" quite the word.

Otherwise the impression I take away from this *Life* tallies very much with what I inferred about this writer from her writings. Mr Brabazon has used private papers and letters to good effect. (C. S. Lewis called her a great letter-writer, and what is quoted here makes me wish for a generous selection from them to be published.) He has also used an undated 33-page MS. of hers called *My Edwardian Childhood*, and an unpublished and unfinished autobiographical novel, oddly entitled *Cat O'Mary*, which reveals a capacity for merciless self-criticism, and a humility and uncertainty, very different from the confident personality she presented to the public. He makes intelligent use of her published novels, since, like most authors, she frequently drew on her own experience.

The daughter of a clergyman (the clergy in her novels are always interesting and individual characters) she was born and educated at Oxford (*Gaudy Night*), spent her girlhood in the Fen country (*The Nine Tailors*), and worked for some years in an advertising agency (*Murder Must Advertise*). Her personal problems, emotional, sexual, and otherwise, are clearly reflected, though not in a directly autobiographical way, in *Strong Poison* and the other novels in which "Harriet Vane" appears.

Mr Brabazon puts all this together very well. He does justice to what the popular press would call "the men in her life"; Hugh Allen, of the Oxford Bach Choir (a bit of a joke, this one), Eric Whelpton, invalided out of the army with polio, John Cournos, who made her unhappy, "Bill" (not otherwise named) who worked with cars and motor-cycles, and gave her a child, and faded out, Oswald Atherton Fleming, described as "an archetypal Fleet Street man" (is there *such* a thing?) whom she called "Mac," and married, whose health deteriorated, who took to drink, and who comes more and more to seem a difficult presence in the background of his increasingly successful novelist wife. As far as her work is concerned it would seem that the most important masculine influences were none of these, but Charles Williams, the writer, with whom her relation was imaginative, intellectual, affectionate, but not sexual—and who led her to the last great lover of life, Dante Alighieri. Overshadowing all, and without whom we would hardly be discussing her to-day, was someone who "walked in" one day on a rather confused and distressed young woman in July 1920, while she was lamenting her lack of a job, of money, of clothes, of a man. He was Lord Peter Death Bredon Wimsey, second son of the Duke of Denver, poised to investigate a corpse found in a bath, with nothing on but a pair of pince-nez.

Mr Brabazon does not discuss the Wimsey novels in detail. He deals more fully with other work. He is good on the plays, for the moment out of fashion, such as *The Zeal of Thy House.* He is sensible on *The Man Born to be King* and the controversies about it at the time. Her work as a Christian apologist is out of fashion. It is too dogmatic, too intellectualist, for this ecumenical age. An interesting letter of hers is quoted in which she defends her approach against a fellow-Christian, and scientist, John Wren-Lewis, who voiced what would become contemporary objections to her approach. Clearly she did see the problems, but scoring debating points was what she was good at and she thought she served God best by going on doing that. Mr. Brabazon, justly I think, sees *The Mind of the Maker* as her best book: a remarkably cogent and convincing sketch of Christian aesthetics, which can be of use even to those for whom its trinitarian framework is wholly a fiction. Finally, there is a good discussion of her work on Dante. Her translation brings out Dante as a science-fiction writer and story-teller rather than as the *altissimo poeta*, but it is spirited and readable and her scholarly commentary is splendid. Of course the experts have been snooty. Scholars have always despised Dorothy L. Sayers. Was she not a popular writer a *purveyor—like Shakespeare* or Dickens?

For all the merits of the plays, and the non-fictional work, in its various kinds she will be remembered for Lord Peter Wimsey. There has been much discussion of his origins. Was he a mixture of the Scarlet Pimpernel and Bertie Wooster? There is a more direct debt, which she acknowledged, to *Trent's Last Case*—it made the Great Detective "human" in a way in which Sherlock Holmes and Father Brown are not. Of course there has been speculation about real-life originals. (*It will be remembered that* Falstaff "was" Sir John Oldcastle.) Mr Brabazon goes on a little too much about Dorothy's "lack of experience," and is inclined to regret that she did not turn from puppetry to "straight" novels. But so many "sensitive," "intelligent," "profound" straight novels from that period are forgotten and Lord Peter lives on. Mr Brabazon pays handsome tributes to Lord Peter's durability, but I fear he does not love the genre. Dorothy L. Sayers did, but she came to have doubts about it. A character in *Gaudy Night* says: "There's no lighter side to murder." That was what she came to feel.

Sometimes she was inclined to dismiss the Wimsey books as just a way of making a living. But really she knew better—see her essay "The Importance of Being Vulgar." Why are the Wimsey books still read and re-read, published and re-published? Perhaps P. D. James, in her foreword, hits the nail on the head when she says simply that, unlike her thousands of competitors, Dorothy L. Sayers wrote well. But what does this mean? The air of literariness and the quotations are now a deterrent. What draws readers? Wimsey himself is a pleasant character and he becomes less of a puppet as the books go on, but he *is* seen almost entirely from the outside. The plots are ingenious but they all seem obvious now, some of them very obvious, and readers who have worn their *copies of the 12 novels to pieces* have long ago known "who did it."


Dorothy Sayers: "a very private person"

I would suggest that the books attract men readers because of their strong plots, exciting incidents and suspense and they attract women readers because of their character-drawing (in the minor figures) and their romantic fantasy (in Lord Peter) and, I hasten to add, they attract men who like romantic fantasy and women who like strong plots. But in the end, as Mr Brabazon reminds us, writers have nothing to *give* us but themselves. Dorothy lives on in the Wimsey books and in the best of her other work because of her energy, her amusement, her intelligence, her love of writing, her enthusiasm and her sense of fun. Her biographer is right about this. But we should never have known of these things if she had not been able to handle words. That is where literary criticism *could* help—perhaps more than it has done.

Mr Robson is Professor of English Literature at the University of Edinburgh.

Husband and wife sleuths

BY WILLIAM WEAVER

The Men in her Death by Anne Morice. Macmillan. £5.50, 188 pages

Tessa Crichton and her Detective Inspector husband Robin are as agreeable and inventive as usual. What first seems no more than a lark—searching for *an American heiress who has* mysteriously gone off on her own—becomes more and more serious, as Tessa and a friend encounter and interrogate a series of sharply-defined characters. Anne Morice has a light hand, an engaging ease (which no doubt costs her a lot of invisible hard work), and an inventive mind: all welcome qualities in the writing of crime novels.

The Chief Inspector's Daughter by Sheila Radley. Constable. £5.95, 208 pages

In peaceful East Anglia a beautiful author of popular romances hires young Alison, *daughter of Chief Inspector* Quantrill, as her secretary. A short time afterwards, the novelist is murdered, and poor Alison discovers the horribly mutilated corpse. There are *several suspects*, and the chief inspector carefully investigates them, trying at the same time to hold his family together. The story moves at an amiable pace, allowing time for sufficient characterisation of suspects and description of surroundings.

Cry Guilty by Sara Woods. Macmillan. £5.50, 190 pages.

Antony Maitland is working for the prosecution this time, but is as unconventional and *persistent as ever.* The kernel of this book—as so often with Sara Woods's best—is the trial; and the author makes the cross-examination dramatic and compelling. There is rather less of the *familiar* "frame" here (Sir Nicholas and his gruff lady, the grumpy old manservant, etc., etc), and more concentration on the central plot: a story of art thieving and frame-up.

The Hand of Death by Margaret Yorke. Hutchinson. £6.50, 217 pages

Margaret Yorke can always be relied upon to get details tellingly right. She knows exactly what people of a certain station *will eat for dinner (or whether* they will call it supper); she understands about makes of automobiles, furniture, drinks ordered in a pub. Social distinctions matter in the sort of small community where this novel is set. After the first murder, there is a kind of trial-by-gossip, very convincingly relayed.

Crippen once again

BY RIVERS SCOTT

The Private Life of Dr Crippen by Richard Gordon. Heinemann. £6.95. 185 pages

"You can't help liking this guy somehow," wrote Raymond Chandler of Dr Hawley Harvey Crippen (otherwise "Peter" Crippen), who went to the scaffold, as everyone knows, on November 23 1910, for the murder and dismemberment of his very trying second wife, a would-be music hall singer known as Belle Elmore.

Chandler's sentiment has been remarkably widely shared. From the governor of Pentonville, Major Mytton-Davies, who had charge of him at the end and remained firmly convinced of his innocence, down to and beyond the enterprising Mr Wolf Mankowitz, who part-scripted an unsuccessful musical about him in 1961, many people have felt that the mild-mannered little quack of 39 Hilldrop Crescent, North London, was not half so bad as he was painted at the Old Bailey.

Though opinion was virulent against him at the time of his arrest and trial, no fewer than 15,000 people were soon petitioning Winston Churchill, then Home Secretary, for his reprieve. Could this abnormally quiet American, they presumably asked, have committed so violent and callous an act except under extreme provocation?

And soon, of course the British sporting instinct came into play. Was it not rather daring of him, henpecked husband though he had been, to dress up his mistress, Ethel Le Neve, as a boy for their attempted escape? Was it not hilarious when her trousers split at the back and had to be held together with safety-pins during their voyage on the liner Montrose? And was it not bad luck, within an ace of freedom in Canada, to be, as the catch-phrase invented for them expressed it, *"trapped by wireless"*?

For better or worse, Crippen is part of our national folklore, and the main problem facing anyone writing his story again is how to get a fresh slant on it. Richard Gordon, abandoning—one hopes not permanently—Sir Lancelot Spratt and the white-coated boys of St Swithin's for earlier and seamier themes, scores spectacularly on the anatomical front: his cut-by-cut description of the disposal of poor Belle is decidedly not for the squeamish, to put it mildly. Add to that references to Poupart's slaughter-house fit to put you off your potted meat, an unexpected medical twist to the tale almost at the rope's end, and an ingenious theory about what became of Belle's head (it was never found, nor were her bones), and you have the witches' brew of the year.

There is also another doctor, called Eliot Beckett, met with in chapter one at the deathbed of King George V, then, years before, on the staff of a Swiss sanatorium, and allowed to occupy, with his wealthy American wife, far too much of the first third of the novel. Whose private life is this, the reader may ask in despair, as the incongruous sub-plot runs on? Crippen's or Beckett's? Have Mr Gordon's publishers made a hideous mistake and put the wrong doctor in the house?

No, Beckett is there to counterpoint Crippen, to comment on his motives, the world in which he lived (some of the gluey Edwardian dialogue is excellent, by the way), even the possible injustice of his trial, and to trigger the final question of the book: did he do it, or didn't he? The answer to that must be yes, he did, bu[t] there is no lack of tension onc[e] the little man himself [is] allowed to take the stage.


Richard Gordon: doctor in the death-cell

Political spills and kills

BY BRIAN AGER

The KGB Directive by Richard Cox. Hutchinson, £6.95. 336 pages

Spectrum by David Wise. Allen Lane. £6.50. 370 pages

Bikini Red North by Tom Barling. Eyre Methuen. £6.95. 287 pages

For Reasons of State by Antony Beevor. Jonathan Cape. £6.50. 231 pages

Strike Force 10 by Heinz G. Konsalik. Macmillan. £6.95. 317 pages

The unacceptable face of international politics shows its ugly features in this crop of thrillers. Bodies litter the pages as the result of plots condoned, if not encouraged, by the Governments of the world's great powers.

As one character in *The KGB Directive* insists—politics is about power and not about the welfare of people. He is a trade union official whose cynicism is only exceeded by the cynical way he is used in engineering a Soviet plot to wreck a prototype airliner which is planned as the salvation of a British aerospace company.

After the aircraft crashes with tragic loss of life on a *demonstration flight an accident* investigator meets with violence as unrest grows in the aircraft factory. He finds his investigation cannot be separated from its political causes and the union man discovers that a mole cannot just quietly retire.

Author Richard Cox is a pilot and former defence correspondent of the Daily Telegraph, which explains how he has created *an atmosphere of* grim realism. Authentic technical detail is combined with a tense, gripping plot.

David Wise also makes good use of inside knowledge. *Spectrum* is his first novel, but he was co-author in 1964 of *The Invisible Government*, which became a U.S. best-seller and has been credited with bringing about a reappraisal of the role of the Central Intelligence Agency in a democratic society.

Wise is a political writer who has covered the CIA for more than 20 years and his story is based on a true incident—the disappearance in 1965 of 381 lbs of weapons-grade uranium from a processing plant in Pennsylvania.

In the novel the London station chief, who had been on the fringe of the uranium plot, decides to search for proof and then reveal the secret of the operation—code named Spectrum.

The CIA director decides that the agency's London boss must die—as have others who had been involved. This is a well-written novel of suspense and intrigue. It is only after you have put the book down that you may think over the zany central idea of the plot and ask: The CIA wouldn't really do that. Would they?

Bikini Red North. It ranges over five continents and it is impossible until the end to decide who is on whose side and why they are determined to kill each other.

A central character is French General Chavignac — presumed dead for 20 years—who emerges as a threat to. . . . Well, it *might* be Israel, or the Arab nations, or France itself. One thing that is certain is that he craves power and when the true target of his intricate plotting is discovered the response of the threatened country is cr[...] and literally mind-blowing.

There are no heroes [...] heroines in *For Reasons* [of] *State.* The most like[able] characters are a group [of] anarchists in London plan[ning] to assassinate the dictato[r of] a South American state wh[o is] on a secret visit. They [are] being hunted by authoriti[es in] Britain and France who [have] a simple philosophy—the good terrorist is a [dead] terrorist. They not only [want] to keep the president aliv[e but] to keep his visit secret, fo[r to] put it mildly, he is a not [very] nice man. People die viole[ntly] but all that matters to [the] authorities is that the laun[dered] story which emerges fits [their] own version of the truth.

For something less ch[...] turn to *Strike Force 10*, [...] set in World War II—and [...] if it could or did happ[en it] cannot affect us now. It [...] a list of main characters [...] you will need to follow [the] action as 10 Germans are [para]chuted into Germany [...] suicidal assassination mis[sion].

This is an enjoyable b[ook] which is not the way to de[scribe] the other novels reviewed. If they are even partly [based] on fact they are frighten[ing].

Exotic malefactions

BY VALERY McCONNELL

My Cousin Death by Mary McCullen. Collins, £6.25. 208 pages

Pel is Puzzled by Mark Hebden. Hamish Hamilton. £7.50. 232 pages

Then Came Violence by John Ball. Michael Joseph. £6.50. 203 pages

All That Glitters by Michael Anthony. André Deutsch, £5.95. 202 pages

If Royal weddings bore you here are some books to transport you, metaphorically at least, to foreign shores.

First of all, just a short hop across the Irish Sea to that supremely romantic land — an American's idea of Ireland, in Mary McCullen's *My Cousin Death.* She chooses her ingredients—a gifted, rich Irish *family, some dashing American* cousins, a mysterious foreign neighbour and a seedy blackmailer — adds plenty of Gaelic seasoning and leaves them to simmer together for a week in a country house, until the whole thing boils over.

Despite the Irishness with a capital I, the mists and whiskey do not impede the flow of the plot, Mary McCullen is too skilful a writer. And after all, are characters with names like Conor Nialls and Fitzacre Kinsella really too good to be true, when the truth is an Irish Prime Minister called Garrett Fitzgerald?

Both *Pel is Puzzled* and *Then Came Violence* are the latest links in two detective chains, namely Inspector Pel of the Police Judiciare in Burgundy and Virgil Tibbs of the Pasadena Police Force, U.S. Pel is the harassed, short-tempered Inspector good at his job but with a dismal private life reminiscent of Inspector Clouseau on a bad day. Virgil Tibbs is the cool, analytical black detective, best known to many when played by Sidney Poitier in *In the Heat of the Night.*

Tibbs' bag of tricks contains robbery, revenge killing and black African politics; Pels' art thieves, murder and espionage. There are enough cross plots in both to make you wonder for at least two-thirds of the way through how they are going to turn out.

And now for som[ething] completely different in [Michael] Anthony's *All That G[litters]*. Here is a gentle mystery [in] a tiny fishing villa[ge in] Trinidad. The story is n[arrated] by an 11-year-old bo[y and] simply concerns the thef[t of his] aunt's necklace an[d the] subsequent attempt to [...] it.

The richness of th[e book] springs from the boy's g[radually] changing perception [of the] adults around him. Th[e title] "all that glitters is n[ot gold"] refers not to the stol[en neck]lace but to the worl[d and the] characters who shape [his] world. It is a subtle [...] especially charming [...] written in West India[n ...] which fairly lilts along.

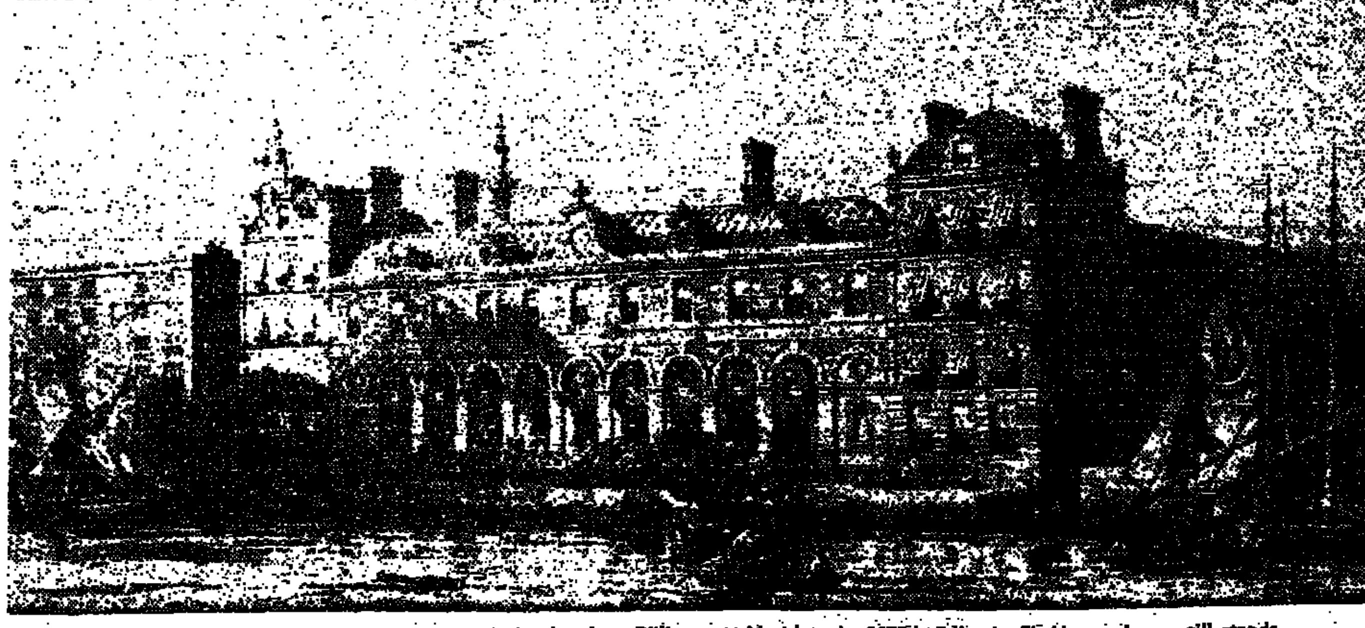
HOW TO SPEND IT

by Lucia van der Post

London IS...

Many different things to many different people—so many things, indeed, that no page like this could hope to reveal them all. But as the eyes of the world next week turn to London it seemed a good moment to ask FT writers to suggest some of the things that London currently has to offer.

Like all great cities, the opportunities for amusement, edification and delight are so endless that the new visitor's biggest problem is more likely to be bewilderment than boredom. Hopefully, our suggestions below will make some decisions easier and hopefully, even Londoners will discover a few things they didn't know before.



For a whiff of old London it would be hard to beat Billingsgate Market—the 1875 building by Sir Horace Jones still stands

London IS... the arts

This is the year of the musical. The most acclaimed are: **Cats** (New London). Andrew Lloyd-Webber's adaptation of T S Eliot which has an excellent second half and tremendous dancing throughout.

Barnum (Palladium). A vehicle for Michael Crawford to show what stardom is all about. A broadway hit with stunts galore.

One Mo' Time (Cambridge). New Orleans jazz a-plenty, but it is better if you like Southern humour. All American cast.

Best of the rest: **Goose Pimples** (Garrick). Class pretensions laid bare. You will either be sick with laughter or just sick.

Anyone for Denis? (Whitehall). Hard to get tickets for this political parody which slackens after an uproarious start. Mrs Thatcher liked it.

St Mark's Gospel (Globe). Impressive tour de force by Alec McCowen reciting the Gospel and creating an intense experience.

Amadeus (Her Majesty's). West End transfer from National success — a masterpiece or much over-rated? At least it sends you home arguing.

At the Fortune and the Mayfair, leading British actors are presenting seasons of readings to coincide with the Royal Wedding. This will be amiable entertainment, the best of our literary and national heritage cosily presented. Another London treat, which is perfect in warm weather, is the Open Air Theatre in Regents Park—Shakespeare (and Shaw) in nicely dressed, light-hearted productions. At the Aldwych the Royal Shakespeare Company plays Shakespeare in a more serious mood, plus other classics. Look out for **The Forest**: a rare thing, a Russian comedy with Alan Howard.

London is bereft of opera in early August apart from a season at Sadler's Wells of holiday favourites—**Hansel and Gretel** and **The Gypsy Princess**, which rivals **The Merry Widow** in popularity on the Continent but is a rarity here. Covent Garden has the **Dance Theatre of Harlem** in residence. The English National Opera at the Coliseum has two new productions in August. **Tristan and Isolde** opening on August 8 and Monteverdi's **Orfeo** on August 20.

Pride of place must go to **Picasso's Picassos** at the Hayward—hundreds of the works that the artist kept around him, tracing his development through the various periods. The biggest Picasso exhibition in London for many years.

The Summer Show at the Royal Academy is well worth a visit although most of the paintings will already have been sold. There are some important exhibitions at the art dealers in the streets around the Academy (a stroll down Cork Street is a must for art lovers)—Matthiesen, Heim and Wildenstein are fielding above average displays of Old Masters.

No art lover should give the **Tate Gallery** a miss. The best modern collection in London, all free, though you will have to pay extra to see the special retrospective of the work of two Welsh painters, Ceri Richards and David Jones.

At the **National Gallery**, The Artist's Eye, David Hockney's own selection of his favourites from the collection, will intrigue even those who know the gallery well (see William Packer's review on the Arts page today). Round the corner see the official portrait of Lady Diana Spencer at the **National Portrait Gallery**.

London IS... where to eat

You will pay between £18 and £25 for a meal for two including wine in the better small restaurants where the locals eat. When the place starts to collect a Michelin star or an Egon Ronay commendation you can expect a somewhat higher bill. The best restaurants in town could set you back £60 for two, but for £30 to £40 you would expect something out of the ordinary.

If you want to impress your companions invite them to the new **Le Gavroche** in Upper Brook Street. Entertaining there, or at the **Tante Claire** or **Ma Cuisine** (both west of centre) will demonstrate your knowledge of fine foods and your ability to eat without counting the cost.

Less ruinous to the pocket is **Langan's Brasserie** (just off Piccadilly) where, if you can get a table, you will have good food and be able to do a bit of celebrity-watching. Famous faces can also be seen at **San Frediano** in the Fulham Road and **Mimmo d'Ischia** in Elizabeth Street, not far from Eaton Square. Beware both these places for their irritatingly overt allocation of tables according to their own perception of social rank.

A purely subjective alternative list running from west to east of London would be: Off Kensington High Street, the **Ark** (1930s style décor, food with Gallic flair) and **Le Detour** (very interesting French menu).

In the Fulham Road: **September** at number 457 has a singularly pretty open-air conservatory and refreshingly inventive food.

At South Kensington: **Le Suquet** at 104 Draycott Avenue, SW3 offers quite simply the most interesting fish in London.

In Soho and central London: **Manzi's** (simple, inexpensive seafood), **L'Escargot Bienvenu** (which now has a strong American influence), and the **Gay Hussar** (presided over by the famous Victor Sassie, it offers food with an authentic Hungarian flavour and a clientele that is mainly left-wing and journalistic and literary).

In Covent Garden: the **Grange** (interestingly English, useful for showing foreigners that English cuisine isn't dead), **Inigo Jones** (posh and expensive) and **Interlude de Tahaillau** (usefully close to the Royal Opera House).

For lower-cost eating the best bets are the wine bars. The Sloane rangers and Knightsbridge crowd hang around at **Draycott's** in Draycott Avenue, but it is pricey. If you want to see the really trendy young at play go to **Blushes** at 52 King's Road, SW3. If you prefer something more tranquil go further down the King's Road to the **Bouzy Rouge** for light meals which you can eat to the live accompaniment of gentle blues and jazz.

In the central area the best bet, but usually very crowded with London's office workers is the **Cork and Bottle** off Leicester Square.

London's USP (unique selling point in advertising terms) is its Indian restaurants. Dotted all over town they offer marvellous value. In King Street, Hammersmith you will find the **Aziz**, the **Anarkali** and the **Light of India**.

Other aficionados go to **Kahn's**, 14 Westbourne Grove, for lovely food and fashionable crowds. Those who like plush surroundings and don't mind the atmosphere a trifle muted, will find the food at **Kundan**, 3 Horseferry Road, SW1 exquisite.

Chinese food, too, is often extremely good and very well priced. One of the best China Town atmospheres outside the Orient is Gerrard Street—enter almost any restaurant you fancy and you should be well pleased. Elsewhere **Mr Chow** (Knightsbridge) is still one of the prettiest and trendiest and offers some of the best food in town. Kenneth Lo's **Memories of China**, 67 Ebury Street is new and much-admired and look out for the **Rendezvous** chain — always excellent.

London IS... a few favourite shops

Picking a few shops from the myriad that London has to offer is asking for trouble—the selection is inevitably arbitrary, personal and open to debate. For what it's worth our favourite department stores are Liberty (that rarity—a store with real personality), Harrods (because it's there, because it's the biggest, because it has the most majestic food hall we know), Harvey Nichols (because it's small, select and stylish). Marks and Spencer deserves a mention because it's more than just a shop—it's a national institution and foreigners find it irresistible.

Designer's Guild, 277 King's Road, London SW3. Its distinctive soft furnishings (wallpapers and fabrics) in muted co-ordinating ranges (so subtle you never tire of them) have become a by-word for chic interiors.

Floris, 89 Jermyn Street, SW1. Panelled, drawer-lined shop that looks like an early dispensary out of a period drama. Very English fragrances like red rose, honeysuckle, stephanotis, jasmine, all come in a myriad different fashions—as bath oils, essences, soaps, sachets and pomanders.

Paxton and Whitfield, 93 Jermyn Street. A lovely old shop, a temple in which all the best and most traditional of English cheeses are treated with the respect they deserve.

Turnbull and Asser, 71 Jermyn Street. Where the young bloods buy their shirts—either made to measure or off the peg in Turnbull and Asser's own fabrics.

John Lobb, 9 St James's Street, SW1. The oldest makers of boots in London. They'll cost a mini ransom but they say they last for ever.

Geo. Trumper, 9 Curzon Street, W1. Those who buy their boots at Lobbs, their hats at Locks and their shirts at Turnbull and Asser, get their hair attended to by one of the barbers at Trumpers.

Conran, 77 Fulham Road, SW3. The upmarket version of Habitat which has everything the Habitat lover would like but can't afford. Bright, modern, buzzy shop selling everything for the proud house-owner, from sofas to writing paper.

General Trading Company, 144 Sloane Street, SW1, is where Lady Diana had the good sense to draw up her wedding list. A honeycomb of small departments selling exclusive general merchandise, much of it from abroad, all of it chosen with taste and style.

Elizabeth David, 46 Bourne Street, SW1 and Covent Garden Market. A cook's paradise—everything you need in the kitchen and lots you never knew you needed.

Lunn Antiques, 86 New King's Road, SW6. To anyone interested in old lace and linen (some bedspreads, layers of tablecloths and cushions a-plenty), its worth the trek down the New King's Road.

London IS... night life

One of the best ways to check the flickering pulse of London's night life is to consult the men and women who work in advertising agencies, for it is these exalted souls who tend to have the energy and the income, plus a well-attuned sense of nocturnal vocation, necessary to knowing what's in and what's out, as well as what's grand, good or gay.

According to a television time-buyer for a major London agency: "The first thing you have to know is that with very few exceptions, London is completely dead after midnight. This is partly the fault of the licensing laws but whatever the cause, you have to work extremely hard to enjoy yourself.

"It is also extraordinarily expensive. Even the most well-heeled business client is advised to be extremely selective about whom he entertains.

"Finally, too many of the best spots operate on the basis of privileged access. There are long waiting lists for membership, which can be very dispiriting."

First, he says, check the social diaries for set-piece functions and parties. You'll generally need an invitation, but these can sometimes be arranged.

"Next, the clubs. Again, membership may well be required, but the Big Four at present are probably **Annabel's** (a bit bland, mainly for the over-40s plus a few Hooray Henriettas), **Tramp**, **Tokyo Joe's** and **The Garden** (formerly Regine's).

"At the Sloane Square end of the King's Road there's **Main Squeeze**, a very chic jazz club—purists go to **Ronnie Scott's** — while virtually opposite the Squeeze is the **Alibi**, for eating, drinks and disco. It's very 1960s — a poseur's paradise."

Other spots recommended by this energetic man-about-town include **Morton's**, on the northern side of Berkeley Square ("a very good pick-up place for rather posh singles"); the **Zanzibar** ("very TV, very arty, but remarkably overrated); **The Blitz** ("very Adam and the Ants"); **Coconut Grove**; **The Click** ("LA-style disco, hamburgers, and no membership") and **Joe Allen's** in Exeter Street, Covent Garden ("late-night dinner, cheap and cheerful, very theatrical and invariably crowded out").

In recent times, indeed, virtually the whole of Covent Garden has been converted into street after street of back-to-back resturants, wine bars, hamburger palaces, discos, cocktail lounges and fun spots — most of them offering extremely good value.

For something a little more sedate, my friend recommends the restaurants and the casino at the **Ritz**: the restaurants and cocktail bars at hotels like **Claridge's** and the **Connaught**; the **St James's Club** ("very new but exquisitely well-decorated") and the dinner-dancing offered at places like **Quaglino's** ("bland but safe") and **Tiberio's** in Mayfair.

Roger Taylor

The bargain of a lifetime . . . or an amusing fake? Camden Passage market is a rich hunting ground

Contributions from: Emma Chester-Miller, Arthur Sandles, Michael Thompson-Noel, Antony Thorncroft.

London IS... guidelines

You are unlikely to have arrived in London without buying a single guide book but don't invest in any others until you've seen what you can pick up free. **The London Tourist Board** (for mail order inquiries send an sae to 26 Grosvenor Gardens, Victoria, London, SW1) has offices at Victoria Station, Heathrow Underground Station, Selfridges and Harrods, all of which dispense excellent information—much of it free or else inexpensive.

Pick up free: a leaflet on free things to do, a Royal Wedding Souvenir Map (gives the route and points out the main things of interest along the way), a leaflet listing all the companies that organise special walks (many of the walks are so good and interesting that many Londoners would gain a lot from them), as well as everything you need to know about the bus and underground systems.

You will need a good street map. For those who don't know London, we think Nicholson's *Streetfinder* (90p) is easier and clearer to use than the traditional *A to Z*. Nicholson's pocket *London Guide* (£1.50) and *Student's Guide* (£1.45) are handy, neat enough to stuff into breast pocket or bag.

When it comes to restaurant guides considerable passion is expended every year over whose accolade means most. For our money Egon Ronay's *Lucas Guide* is the most generally useful (£5.50) while Christopher Driver's *Good Food Guide* (£6.95) is quirkier but has its faithful followers.

London IS... markets

To most visitors London's street markets are one of the big attractions—in one of those run-down looking stalls they may, after all, find the bargain of a lifetime, the one-off gem that no store, however posh, would ever find shelf-space for. Here the possibility of a "find" is what it's all about and even if one never buys a thing, part of the fun is just being there and seeing what it's all about.

The New Caledonian Market, Bermondsey Square, SE1 is where you stand the best chance of picking up a real bargain (though remember that more and more people are chasing fewer and fewer genuine "antiques") for this is where the dealers go. Get up early (5 am) on a Friday morning and rifle among the bric-a-brac, the jewellery, the silver and the old clocks.

Portobello Road, Notting Hill, W11. The chances of finding a bargain here must be about as great as finding a primrose in the Sahara but it's fun all the same. Old clothes seem the best buys but there's also old silver, glass, toys, furniture and a generally appealing air of much wheeling and dealing being done. Open Monday to Saturday but Saturdays are best.

Camden Lock, in Camden Town, sports a whole series of amusing shops, some selling new one-off craft items, others specialising in antiques. It has a splendid young, informal air and the shops just outside are well worth a visit too. Those who can't do without shopping on Sundays will find Camden Lock open.

Camden Passage, in Islington, is a lovely mixture of antique shops and stalls, selling everything from quite expensive antique clothes, jewellery and furniture, to stalls full of junk.

Antiquarius in the King's Road is possibly the most visually appealing of all the markets but I should think offers least possibility of a genuine bargain. Quality and prices are high—wonderful old clothes, blue-and-white china, jewellery of all sorts, Art Deco and Victorian, as well as stalls with their own specialities, be it buttons, old boxes or silver.

London IS... walkabouts

Ardent window-shoppers will find London a feast for the eyes, if rather tempting for the purse. Even those intending to spend real money should get their eye in first and we would recommend three main strolling areas to give the would-be shopper a visual treat as well as a good idea of just what is on offer.

Route 1 should take in **South Molton Street**, which lies just off Oxford Street. It has now been turned into a pedestrian precinct and could keep most women (and men) happy for at least a day. In between shopping (either real or the window version) you can get your hair cut (elegantly and expensively at either **Vidal Sassoon** or **Molton Brown**), or eat an American-type deli meal at **Widow Applebaum's**.

Browns is a must — one of London's most elegant (with prices to match) small shops selling women's clothes. Everything about it reeks of style—Maud Frizon shoes, bags by Fendi, belts by Barry Kieselstein, clothes by the internationally recognised (Missoni, Jean Muir et al). If you dress at Browns it will show — beautifully and expensively.

Men need not feel left out. **Browns** for men offers the international starry designer set—Armani, Gianni Versace and the other glittery names. Most of it is as desirable as it is expensive and elegant.

South Molton Street also has a complement of shops owned by Joseph Ettedgui, all featuring a wonderfully colourful, relaxed, young, ritzy look. Lovers of the clothes of Kenzo will find them there.

It also has one of the best coffee shops in town (**H. R. Higgins**), best chocolate shops (**Prestat**), fine shoes, jewellers (including the most avant-garde and adventurous of jewellers, **Electrum**).

If you have time wander across Oxford Street and go through the tiny Gee's Court, exploring the small shops in **St. Christopher's Place** — it has been revamped and it is a treasure-trove of interesting and not necessarily expensive boutiques, each with its own character and style (**Coconut Grove** on the corner of Barratt Street makes another good place to stop and try a giant American style cocktail and a large fresh salad).

Route 2, should be a wander round **Covent Garden**. Start at the Aldwych end and work your way through to Leicester Square. Take in not only the revamped and very pleasing **Piazza** (always full of life and interest) but also explore the old streets and alleyways where lurk a myriad of small shops, all of them with something to offer.

Bertram Rota is one of the best fine second-hand bookshops around. **Paul Smith** is the menswear designer that most of those in the know have their eye on (find his small shop in Floral Street); **PX** in Endell Street is where you'll find the latest daft and not-so-daft pirate look, while **Detail** has some of the jokiest, most stimulating fashion jewellery around. If you want to see one of the most successful marketing and merchandising operations in England look in at **Laura Ashley** in Bow Street.

The shops in Neal Street are all full of Eastern riches and if you want to eat you can either do so expensively at the **Neal Street Restaurant** or try one of the many inexpensive wine bars that have recently opened up.

Route 3, we suggest should start at **Harvey Nichols** and then go on down Knightsbridge, down the Brompton Road, taking in **Harrods** and turning left down Beauchamp Place—a small street with so many desirable shops you could be kept busy all day. **Taylor and Hadow** offers the best of British designers (Bruce Oldfield, Jasper Conran, Victor Herbert et al). **Jones** is a jewellery shop with great panache, **Caroline Charles**, a highly successful but not much publicised designer has her own shop.

Monsoon (for Eastern colour and not too expensive glamour) and **Crocodile** (a smallish elegant chain of boutiques) each has a branch in Beauchamp Place. **Deborah and Clare** sells marvellous blouses and shirts made to order while the **Reject China Shop** always seems to interest the tourists.

London IS... economy culture

Arriving in London with perhaps seven evenings at your disposal, it is easy to become dazzled by the bright West End lights into paying far too much to see things you later wish you hadn't. Your main weapons of defence are information, an *A to Z* and a student card, if applicable.

For listings, and some description, of all that is available, the *New Standard* and *What's On* are useful. In addition, the sacked staff of *Time Out* are continuing to provide listings in *Not* . . . available free at various cinemas, pubs and theatres around London.

There is little point in coming to London to see films soon to be on general release. The independent cinemas, however, provide constantly changing programmes of less accessible films. For instance at the Electric this month there is a special Buster Keaton season to tempt the connoisseur. The Electric and the Essential cinema clubs both charge 30p yearly membership but you can join at the door.

The National Film Theatre offers temporary membership at 50p, tickets being £1.80, while the ICA exorbitantly demands £2.25 for main shows and a further 40p membership.

If you want to see some of the best opera and ballet in the world in gilt and red plush surroundings but cannot afford the only £27 stalls seat left unsold, do not give up. The Royal Opera House sells off 65 of the £4 to £6 amphitheatre seats at 10 am on the day of the performance and very early risers can be rewarded, also by a delicious bacon sandwich breakfast at the cafe next door to the box office in Floral Street. The Coliseum similarly reserves a number of tickets (£1.90 during the week, £2.30 on Saturday) until 10 am and once those have sold sells standing room (£1.80/£2) for the eager with courageous legs.

The Royal Albert Hall Prom season has just begun, a gift for classical music lovers of all predilections. If you can be in the Kensington area around 5 pm, arm yourself with some sandwiches, a book, sketch book or crossword puzzle, an umbrella and a cushion and wait—your reward will be superb music for £2 and the famous Prom atmosphere of sweat, enthusiasm and music students' witticisms.

An S in the New Standard placed beside a theatre means that all previously unsold tickets will be sold off one hour before curtain up for £2 to those producing a current student card. For non-students or shows not operating this system, the green pagoda in Leicester Square serves as a central clearing house for unsold tickets, selling them at half price between 2.30pm and 6.30pm.

The Royal Shakespeare Company operates its own scheme. While the Warehouse allows students and other concessionary card holders to buy £2 tickets in advance, the Aldwych keeps the nerves tingling by waiting to sell unsold tickets until the last minute.

The Olivier and Lyttleton theatres keep back 75 £3.20 seats for sale to everyone from 10am on the day of performance and sell off unsold seats at £3.50, 45 minutes before curtain up. No attempt to get such a ticket is wasted because even should you prove unlucky, there will be standing room at 90p, and while waiting you can enjoy free foyer music or go to a Platform Performance (£1.20).

Besides the main theatres, there is the proliferating underworld of fringe theatre. Once you take the plunge and go to one fringe show, your week's theatre-going can turn into a sort of treasure hunt, one event giving information about the next. Beyond the larger fringe theatres (the Warehouse, the Cottesloe, the ICA, Riverside Studios, the Royal Court Theatre Upstairs), exists the whole network of smaller fringe theatres, and pubs.

With a short time only in London the wealth of alternatives can become paralysing. To avoid this, I suggest a healthy spontaneity and refusal to be daunted by the first information that a show is sold out. There is nearly always a way in that doesn't mean paying exorbitant prices for the only return. The only other requirement is a preparedness positively to enjoy the gentle British art of queueing.

ARTS

Hockney's choice

BY WILLIAM PACKER

David Hockney is always good copy, but even so this seems to have been a very busy year for him, what with a major exhibition or two, new work for the opera and, by his standards, a lot of globe-trotting. Certainly we in this country seem to have seen *rather more* of him than for some time past, and some of us might even feel, whatever the latest circumstance, that enough is, for the moment at least, enough.

But as it turns out, that would be too easy and unfair, both to Hockney himself and to his particular host, which in the event happens to be the National Gallery. The series of "Artist's Eye" exhibitions, in which distinguished British artists have been invited to cull a personal anthology from the collection, has been, since its very inception four years ago, a fascinating and important feature of the London summer, and that Hockney should be one of the lucky guests is no surprise, and certainly no disappointment.

His choice turns out to be the sparsest of them all, four masterpieces and, as is the custom of the series, a work of his own, and it turns on a happy coincidence. In 1977, long before any thought of this particular opportunity, Hockney painted a kind of conversation piece, a full length portrait of his friend, Henry Geldzahler, as its title has it, "Looking at Pictures on a Screen." Those pictures, colour reproductions of a Vermeer, a Piero, a Van Gogh and a Degas, all in the National Gallery, were brought from amongst those available not from any conscious purpose but simply because they gave him great pleasure: as he disarmingly admits, had there been rather more to choose from, he might well have chosen differently.

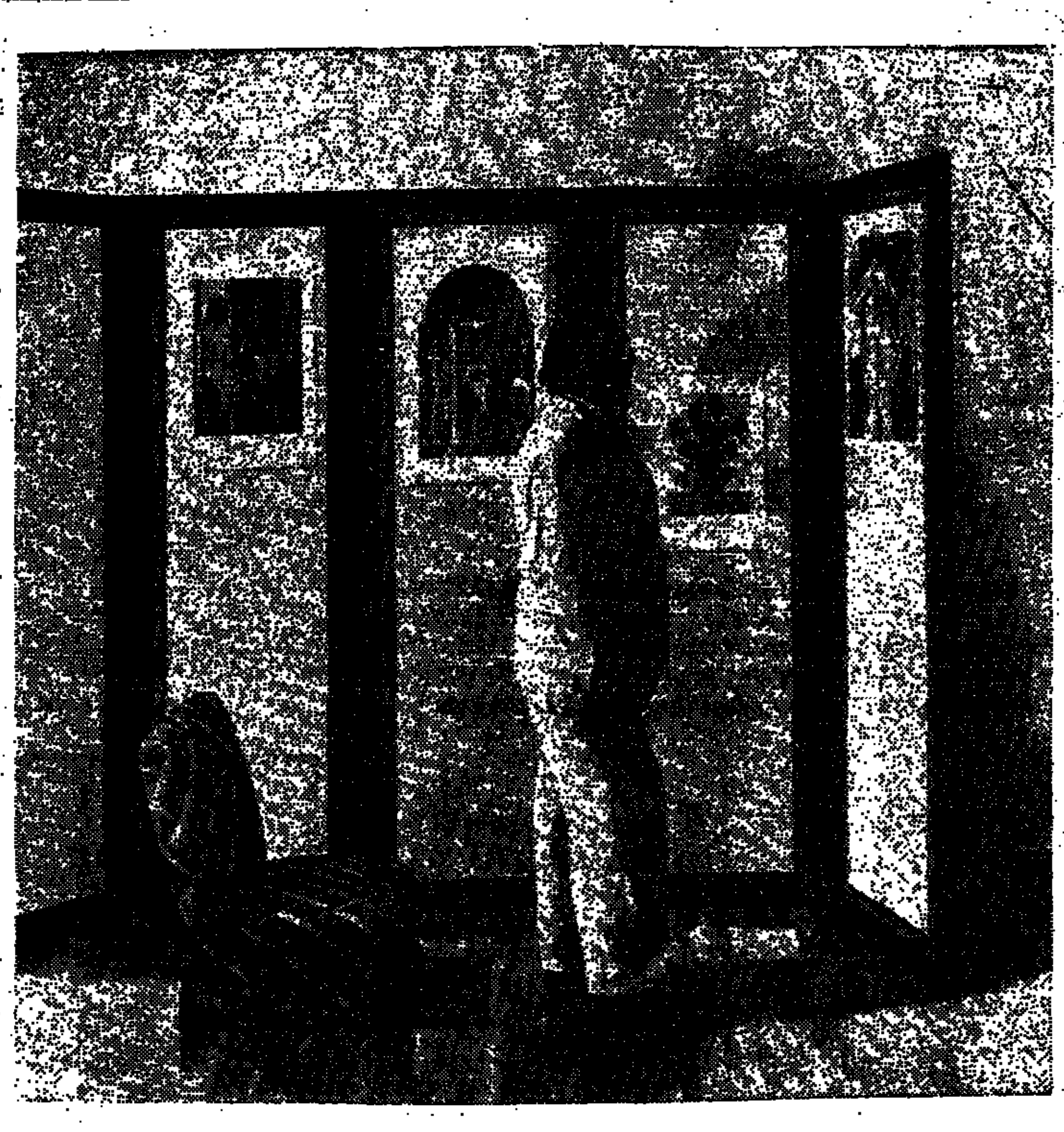
But that is not to devalue the actual intuition: those reproduced are great works, and even so small (the Vermeer apart) and at such a technical remove, their authority and *power still carry*. Knowing the work, we recall its presence; and how many of us have come to know wonderful things so well in reproduction that we must make the pilgrimage? Such reproductions are never substitutes, but tickets, one way or another, to the real thing; and as such they are, or should be, the commonplace not just of the creative but the civilised life.

Absorbed unselfconciously into the background to Hockney's working life, they re-emerge as naturally, painted to confront Geldzahler's gaze not as exercises in facsimile or even homage, but rather as visual ciphers and acknowledgment. There they are on their screen in the tableau reconstituted for the occasion, deflecting us in two ways at once, off to the left to the Hockney version, off to the right to the real things.

And do they stand a chance in such testing company? Well, Hockney's point is that perhaps they do, if their limitations are accepted and understood. "... if a painting is really wonderful, even in a reproduced form, even a cheap reproduced form, it can still give off a lot of its magic. ... And I've even noticed this magic sometimes in postcards of paintings." It is an intriguing proposition.

This, the fifth, is also the last of the "Artist's Eye" shows for the time being, and certainly the last in the present form. A shame in a way, of course, for the series was one of those imaginative initiatives that immediately seems so obvious and necessary a thing to do. But the National Gallery still suggests, most recently by the Artist's residency that Maggi Hambling so triumphantly enjoyed (her successor is about to be appointed), that the spirit of such initiative is by no means dead. Indeed, we would only wish that more great museums would follow its example in acknowledging, as it does so gracefully, the contribution the artist can make to its work.

The "Artist's Eye" continues until August 31.



'Looking at pictures on a screen' by David Hockney

Maxwell Davies Second Symphony

BY MAX LOPPERT

Four months after its Boston first performance, the Second Symphony of Peter Maxwell Davies arrived in Britain, at a Promenade Concert. Thursday's performance, simultaneously transmitted on Radio 3, was by the BBC Symphony Orchestra under Rozhdestvensky, and was a major disappointment — haphazard of internal and external balance, uncertain of focus and direction, palpably under-rehearsed, with passing good things gleaming through a mist of insecurity.

And yet, for all that, the occasion was one of high (and for me, barely-contained) excitement. The work itself is thrilling — elemental in its impact, a dramatic canvas of beautiful marine sounds and visions which is at one and the same time a symphonic structure of real power and native energy: it is a work that *moves*, in every sense. Not the least hopeful suggestion left by Thursday's concert was of the experience that awaits British audiences when the depths of the work's interpretative possibilities are at last sounded.

Paul Driver wrote at length and in close detail on this page of the Boston Symphony premiere, remarking at the outset on the advances made by the composer on his First Symphony (itself just three years old). No doubt, as we gain more intimate familiarity with the form and content of the newer work, the relationship between the two symphonies, and between the second and the recent piano sonata, will stand out in even greater clarity. For the moment, the simplest way of facing the Second Symphony must be to treat it as an island, entire of itself.

It provides formidable encouragement to do so; indeed, the surface of the work is so absorbing that it is a temptation just to dwell on the physical effect of its waveshapes, its wheeling gull cries, its menacing stormy incursions in lightning forks of brass and thunder crashes of percussion. The sea, and specifically the nature of wave movement, has *inspired the composition*. It is a Northern Sea, with few glints of bright blue in its intricate patterns of light and darkness, a sea which leaves its most characteristic impressions in the *gioco delle coppie* (to use the Bartok title) of the second, slow movement, or the whispering scherzo-and-trio third. There is an incantation in the sound of this music: it sweeps the senses.

Yet what proved most remarkable about my own first two encounters with the Second Symphony (the earlier at a rehearsal on the morning of the concert) was the awareness it left of a fierce, and towards the close mountingly furious, determination to face and fulfil supposedly opposite and equal concerns. The surface is the substance of a massive, yet for all the complexities of its interlocking inner sections immediately appreciable, symphonic argument. Much of the awesome difficulty the work sets in the way of a symphony orchestra of essentially classical formation is that everything is meant to be, and must be heard. Nothing is mere decoration; each melodic statement, however abstruse its metrical notation, presumes immediate relationship with other activities in the orchestra — and presumes the highest artistry, not just note-bashing ability, on the part of its players.

As his pre-concert talk confirmed, the composer has invoked the classical symphony (and an organic connection between symphonic principle and tonality) as both direct inspiration and "ghost presence" of his composition; he plays with the listener's memories and expectations, above all of Beethoven, Sibelius, and Mahler; he both questions and newly undertakes the original function of symphonic argument. Tension accrues across the four movements, and its shattering release in the final minutes liberates the listener quite as profoundly as it implies future *symphonies by Maxwell Davies.*

New Stoppard play for the National

The National Theatre is to present a new play by Tom Stoppard, *On the Razzle*, adapted from the comedy *Einen Jux Will Er Sich Machen* by Johann Nestroy (1801-62). *It opens at the Lyttelton on* September 22.

The cast will be led by Felicity Kendal, Ray Brooks and Dinsdale Landen. The director is Peter Wood, the designer Carl Toms, and the lighting is by Robert Bryan.

Rise and fall of the King by B. A. YOUNG

Jazz buffs tend to revere King Oliver because he brought out the young Louis Armstrong in New Orleans. This is rather like revering Salieri because he was the teacher of Beethoven, and Russell Davies in his programme *Oh Play that Thing!* on Radio 3 last Sunday took a more interesting line. Not, of course, that he didn't examine the relationship between Oliver and Armstrong. He played a chorus by Louis Armstrong in a 1928 record, *Muggles*, that went note-for-note the same as a King Oliver chorus in *Jazzin' Baby's Blues* recorded five years earlier. We also heard a King Oliver chorus, in *Mountain City Blues of 1928, where his style* and tone were evidently learnt from listening to Armstrong's records, Armstrong having left him in 1924. So there must have been a two-way trade between them.

But what was more interesting than the music was the study of Joe (King) Oliver as a man. Russell Davies gave us less music than you might expect; we never had one single complete side of a disc, in those days averaging about 2½ minutes. King Oliver's recordings at his height were all pre-electric, and perhaps nothing survives that Mr Davies thought we could endure for that period.

Joe Oliver was born in 1885 and died in 1938, poor and forgotten, a janitor in a pool hall. He taught himself the cornet after early days working as a butler. His first bands included players like Johnny Dodds and Kid Ory, who have survived to *our own time and he gained a* reputation as a cornet player. But by temperament he was a band leader; he was scrupulous about rehearsals and made his men as scrupulous as he, sometimes by flourishing a gun.

His career as a leader was highly variable. He left New Orleans after being involved in a police-raid on his premises and went to Chicago, where two halls in which he had built up a following were burnt down, forcing him on the road. He liked to call his bands "recording bands," but some of his records were actually made by a band led by the pianist Clarence Williams and sometimes he wasn't present at all.

Some players found him hard to get on with. He was a non-drinker and bad at intimate conversation. His wife Stella (the warmest voice in a warm programme) was totally loyal, even when failure, disappointment and tooth-trouble had driven him out of music to become first a greengrocer, then a janitor. Russell Davies's programme presented him as a man of charm, but provided insufficient evidence of talent. His letters were movingly read by Hugh Quarshie and extracts from the diary of Paul Barnes, one of his fellow travelling musicians, by Joe Marcel.

This programme was immediately followed by a repeat of Graham Greene's documentary about Benjamin Jowett. I can't think how such a great writer could have written such an ordinary piece. We had merely a line of short quasi-biographical conversations with linking narrative, recounting Jowett's career from the failure of his first shot at the Mastership of Balliol to his later successes and achievements.

All very straightforward, I thought it. Jowett, played by Alan Bennett, didn't emerge as a character of any particular interest, and of the lesser characters, only Swinburne, reacting with soprano hysteria to the threat of being sent down, was anything but run-of-the-mill. (Andrew Branch supplied the hysteria.) It occurred to me, thinking it over afterwards, that Graham Greene was perhaps doing a deflating job, suggesting for example that Jowett's more spectacular triumphs were of the same quality as his confrontation with the laundresses.

Less serious education comes in *The Jason Explanation*, eight programmes at 12.30 on Radio 4 on Mondays. The first dealt with natural history through the medium of two-minute sketches depending mainly on applying familiar procedures to improbable subjects, such as teaching Woolworth assistants to speak, or observing the mating procedures of humans.

David Jason belongs to the silly-little-me school of comics, like Norman Wisdom. He insists that he is an actor. "I need a script and a character," he says. Well, he certainly has a script in *The Jason Explanation*; it took seven script-writers to produce the half-hour that it lasts. I suspect Mr Jason was acting away in the studio; there was a constant titter throughout the programme, sometimes at what appeared over the air to be moments of silence.

'Virginia Woolf' crisis resolved

The National Theatre has finally resolved its crisis over the part of Martha in Who's Afraid of Virginia Woolf? It will be taken over by Margaret Tyzack from August 19. Originally Joan Plowright was to have played Martha but a throat infection forced her to retire.

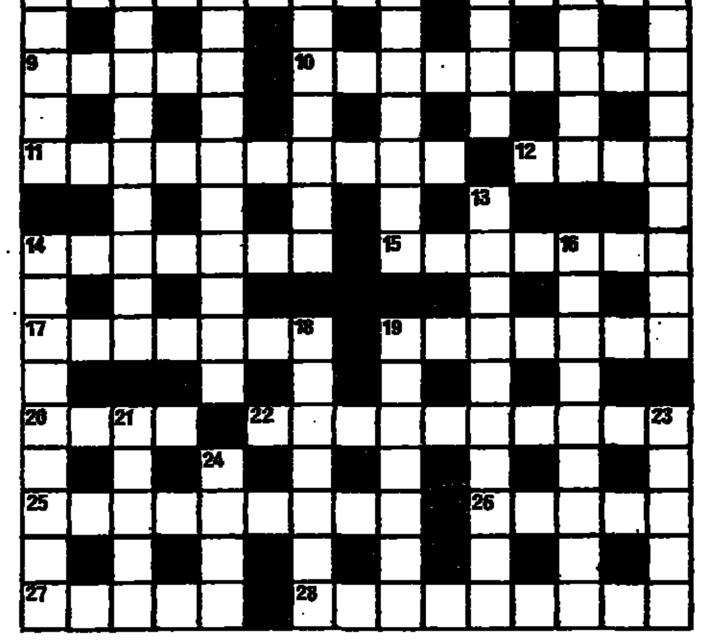
The play has been presented periodically over the last few weeks with Pamela Buchner in the role of Martha. The official Press night will be August 27.

F.T. CROSSWORD PUZZLE NO. 4,629

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



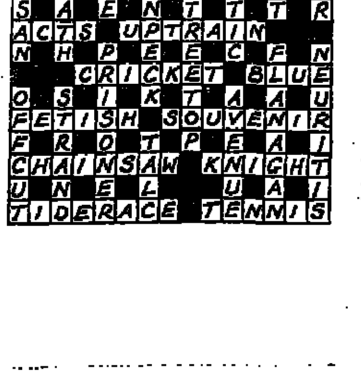
ACROSS

1 *Literary compiler making* money from meetings (9)
6 A grip to comprehend (5)
9 Remained and died after a blow (5)
10 Check a pure siliceous substance (9)
11 Guard goes to fetter Albert (5,5)
12 Move around prison (4)
14 Regular one not to be doubted (7)
15 *Plant of integrity* (7)
17 At the present time in this place, but out of the running (7)
19 Undergarment fitting for English philosopher and artist (7)
20 Pretend to be quiet before morning (4)
22 Shavers joining uproar seen on a beach (5-5)
25 Placid conditions that many horses like (4-5)
26 Imitating silver-plated pin (5)
27 Put it in the tax (5)
28 Fitting timely contrivance (9)

DOWN

1 Moisten garden plot we turned up (5)
2 Defeat utterly and run for it (9)
3 Matrimonial agent achieves striking results (10)
4 Know about irritation in the kitchen (7)
5 Stuff and nonsense (7)
6 *The main point made* by soldier on street (4)
7 Wide-awake, but changed later (5)
8 Artist painting doorkeeper holding fish (9)
13 Comprehend subordinate taking up a position of resistance (10)
14 Hoary stem with aroma (9)
16 Very reticent to hide four inside (9)
18 *Test former derivative of* ammonia (7)
19 Check a passage as a temporary 28 (4-3)
21 Something advantageous when planted (5)
23 Airy window to illuminate (5)
24 Monster therefore turned up (4)

Solution to Puzzle No. 4,628

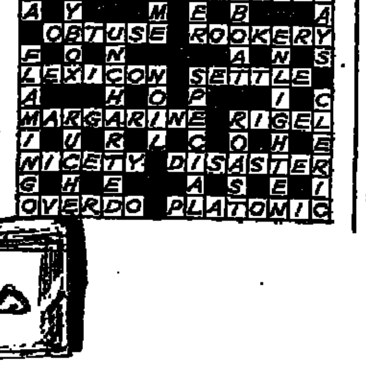


SOLUTION AND WINNERS OF PUZZLE No. 4,623

Mrs M. L. Andrew, 28 High Street, Sawston, Cambridge, CB2 4B6.

Mrs O. D. Hawker, 34 Little Bargate Street, Lincoln, LN5 8JL.

Mrs R. Pyke, Little Orchard, Buckham Thorns, Westerham, Kent, TN16 1ET.



TV/Radio

BBC 1

† Indicates programme in black and white

7.15-8.30 am Open University (Ultra High Frequency only). 9.05 Play Tennis. 9.30 Get Set for Summer. 10.42 Weather.

10.45 Grandstand: Cricket (10.50, 2.05 pm, 2.40, 3.35) from Lords; Benson and Hedges Cup Final: Somerset v Surrey; Shergar (1.20) Is he the greatest? Julian Wilson on Ascot; Royal International Horse Show (1.30); Racing from Ascot (1.50, 2.20, 3.00): 2.00 Regent Diamond Stakes; 2.35 Princess Margaret Stakes; 3.20 King George VI and Queen Elizabeth Diamond Stakes; Athletics (3.35) from Crystal Palace: Sunsilk Women's AAA Championships; 5.00 Final Score.

6.15 Pop Quiz.

6.45 Film: "Carry On Follow That Camel."

8.20 Summertime Special.

9.05 News, Sport.

9.20 Royal International Horse Show.

10.30 Roots.

12.01 am House Calls.

12.25-12.30 am Weather.

All Regions as BBC 1 except as follows:

BBC Cymru/Wales—6.10-6.15 pm Sports News Wales. 12.25 pm Weather.

Scotland—12.25 am News and Weather.

Northern Ireland—6.10-6.15 pm Northern Ireland News and Sport. 12.25 am News and Weather.

England—6.10-6.15 pm (South-west only) Saturday Spotlight.

BBC 2

7.40 am-2.20 pm Open University.

†2.45 Film: "Dry Rot," starring Ronald Shiner, Brian Rix and Peggy Mount.

4.10 Cricket: Benson and Hedges Cup Final: Somerset v Surrey.

7.35 News and Sport.

7.55 Cloch: Film of Irish Sculptors.

8.20 Spirit of Asia: David Attenborough.

†9.20 Horror Film: "Isle of the Dead," starring Boris Karloff.

10.30 The Telephone Box (La Cabina), Spanish film.

11.05 News.

11.10 Cricket: Benson and Hedges Cup.

11.40 Horror Film: "The Crazies," starring Lane Carroll and W. G. McMillan.

LONDON

8.45 am Sesame Street. 9.45 Joe 90. 10.10 Beachcombers. 10.35 Thunderbirds. 11.30 Clapperboard. 11.59 Lost Islands.

12.30 pm World of Sport: 12.35 International Sports Special (Part One) Tour de France; Karting; Australian Pools; 1.15 News; 1.20 The ITV Seven from Newcastle and Beverley; 3.10 International Sports Special (Part Two) WBA Light-heavyweight Championship from Atlantic City, New Jersey; Water-Skiing: 1981 U.S. Masters, Calloway Gardens, Georgia; 4.00 Wrestling from Morecambe; 4.50 Results Service.

5.05 Worzel Gummidge.

5.35 News.

5.40 Chips.

6.35 Mind Your Language.

7.05 Russ Abbot's Saturday Madhouse.

7.35 Hellinger's Law, Telly Savalas.

9.20 Seagull Island.

10.20 News.

10.35 House on the Hill.

11.35 Let's Rock.

12.05 am Police Surgeon.

12.35 Personal Choice with Peregrine Worsthorne.

All IBA Regions as London except at the following times:

ANGLIA

9.30 am European Folk-tales. 10.00 The Lost Islands. 10.25 Clapperboard. 10.50 Film: Just for Fun. 5.05 pm Under Manning. 6.35 Video Entertainers. 12.05 am Love American Style. 12.35 At the End of the Day.

ATV

9.30 am A Better Read. 9.35 Save It. 10.00 Clapperboard. 10.30 Films: Tweety Pie—Bird in a Guilty-Cage; Bugs Bunny: Marco Polo the Magnificent. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 Video Entertainers. 7.05 Russ Abbot's Saturday Madhouse.

BORDER

9.10 am A Better Read. 9.35 Save It. 10.00 Flying Kiwi. 10.25 Joe 90. 10.50 240-Robert. 11.50 Clapperboard. 5.05 pm Under Manning. 6.35 Video Entertainers.

CHANNEL

5.40 pm Puffin's Pla(i)ce. 6.35 Under Manning. 12.05 am Weather.

GRAMPIAN

9.35 am Larry the Lamb. 9.40 Cuir Car. 10.10 Flying Kiwi. 10.40 Here's Boomer. 11.10 Thunderbirds. 11.59 Clapperboard. 5.05 pm Under Manning. 5.40 Incredible Hulk. 6.35 Video Entertainers. 12.05 am Reflections.

GRANADA

9.15 am Helping Hand. 9.40 Save It. 10.05 Sci-fi Film: The Skull's the Clue, Walter Pidgeon. 10.15 Voyage to the Bottom of the Sea. 11.59 Clapperboard. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 Video Entertainers. 12.05 am Thriller: Killer with Two Faces.

HTV

9.00 am Save It. 9.25 Helping Hand. 9.50 Clapperboard. 10.20 Happy Days. 10.50 Flying High. 12.28 pm HTV News. 5.05 Under Manning. 5.39 HTV News. 5.40 Return of the Saint. 6.35 Video Entertainers. 12.05 am Weather.

HTV Cymru/Wales—As HTV West except: 5.05-5.35 pm Sion a Sian.

SCOTTISH

9.10 am A Better Read. 9.35 Save It! 10.00 Welcome Back Kotter. 10.25 Joe 90. 10.50 Larry the Lamb. 11.05 Chopper Squad. 11.59 Clapperboard. 5.05 Under Manning. 5.40 Return of the Saint. 6.35 Video Entertainers. 12.05 am Late Call.

SOUTHERN

9.05 am Sesame Street. 10.05 *Park Ranger*. 11.59 The New Fred and Barney Show. 12.27 pm Weather. 5.05 pm Under Manning. 5.40 Incredible Hulk. 6.35 Video Entertainers. 12.05 am News. 12.10 Paris by Night. 12.35 Weather., A Church Wedding.

TYNE TEES

9.00 am Cartoon. 9.15 Chopper Squad. 10.05 Butch Cassidy. 10.30 Film: Thirty Years of Fun. 11.59 Clapperboard. 5.05 pm Under Manning. 5.40 North East News. 6.35 Video Entertainers. 11.35 Music Special. 12.30 am Three's Company.

ULSTER

9.15 am Helping Hand. 9.40 Save It. 10.05 Thunderbirds. 11.05 240 Robert. 11.59 Clapperboard. 5.05 pm Under Manning. 5.38 Ulster News. 5.40 Return of the Saint. 6.35 Video Entertainers. 10.34 Weather. 11.35 Sports Results. 11.40 Bedtime.

WESTWARD

9.25 am Flying Kiwi. 9.50 Look and See. 9.55 Stingray. 10.20 Gus Honeybun's Birthdays. 10.25 Clapperboard. 10.50 Film: Tarzan and *the Valley of* Gold. 12.27 pm News. 5.05 Under Manning. 5.35 News. 5.40 Westward News. 6.35 Video Entertainers. 12.05 am Tennents Golden Arrow Darts. 12.35 Faith for Life. 12.40 Weather, Shipping forecast.

YORKSHIRE

9.00 A Better Read. 9.25 Spiderman. 9.40 Little House on the Prairie. 10.25 Clapperboard. 10.50 Film: The Belles of St Trinians. 5.05 pm Under Manning. 5.40 Return of the Saint. 6.35 Video Entertainers. 12.05 am Profile: *Dudley Moore*.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn. 10.00 Steve Wright. 1.00 pm 25 Years of Rock (S). 2.00 A King in New York (S). 2.05 Star Wars (S). 2.30 Paul Gambaccini (S). 3.00 U.S. Top 30. 4.00 Walters' Weekly (S). 5.00 Rock On (S). 6.30 In Concert: Squeeze (S).

RADIO 2

5.00 am Tony Brandon Saturday Early Show (S). 8.02 Racing Bulletin. 8.04 David Jacobs Star Sounds (S). 10.00 Pete Murray's Open House (S); 11.02, 11.30, 12.02 Sports Desk. 12.03 pm Two's Best: Len Jackson (S); 12.30, 1.02 Sports Desk. 1.03 The Impressionists. 1.30 Sport on 2. 6.00 Country Style. 7.00 Three in a Row. 7.30 Cricket Scoreboard. 7.33 Big Band Special (S). 8.00 Saturday Night is Gala Night: Tribute to Noel Coward (S). 9.00 Geoff Love in Concert. 10.00 Nordring Rendezvous from Sweden (S). 11.02 Sports Desk. 11.10 Peter Marshall's Late Show (S). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.55 Cricket, 1.30 pm News. 1.35 Lunchtime scoreboard. 7.30 Proms 81 (S). 8.25 A Sense of the Heart: Jonathan Edwards, New England Calvinist preacher, 1703-58. 8.45 Proms 81 (S). 9.40 Inscapes and Landscapes: Vision of Geoffrey Grigson. 10.25 Ives Piano Trio. 11.00 News. 11.05-11.15 Purcell (S) on record.

VHF only—5.55-7.55 am and 11.15-11.55 pm Open University.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.59 Continental travel information. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 11.59 News. 12.02 pm A Small Country Living. 12.27 News Quiz (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-minute Theatre (S). 3.00 Medicine Now. 3.30 Enquire Within (S). 3.40 Novels Up to Now: Anthony Curtis. 4.10 Profile: Trevor Nunn. 4.30 Does He Take Sugar? 5.00 Inside the Mafia. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News, continental travel information. 6.15 Desert Island Discs: Guest, actor Roger Moore. 6.55 Stop the Week with Prof Laurie Taylor. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Science in China. 11.00 Lighten Our Darkness. 11.15 Alldridge Guide to Hitch-Hiking. 11.45 In and Out of Tune. 11.59 News. 12.15-12.23 am Shipping forecast, inshore waters forecast.

BBC Radio London

5.00 am As Radio 2. 7.30 News. 7.32 Good Fishing. 8.00 News. 8.15 Weekend What's On. 8.30 Bob Powell's London Country. 9.00 News. 10.00 News. 10.03 Stuart Colman's Echoes. 11.30 Robbie Vincent Show. 1.00 pm News. 2.00 Breakthrough. 4.00-5.00 am Join Radio 2.

London Broadcasting

7.00 am AM. 10.00 Jellybone. 11.00 LBC Reports. 4.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Goat Mala. 8.00 LBC Special. 9.00 London Interview: Alan Patterson, curator of Chelsea Physic Garden. 10.00 Nightline—guest, Claire Tomalin, The Sunday Times Literary critic. 1.00 am Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers. 5.00 Morning Music.

Capital Radio

6.00 am Early Show. 7.00 Breakfast Show. 9.00 Countdown with Peter Young. 11.50 Cash Country. 2.00 Afternoon Delight. 5.00 Soul Spectrum. 8.00 RDU2—Schools' Race for Planet Earth. 9.00 Capital Ro-cap. 10.00 Roots Rockers. 11.59 Midnight Special. 12.03 Nightcap.

CHESS SOLUTIONS

Solution to Position No. 381

1 N-B7 ch, K-N1 (if RxN; 2 QxR threatens both R-K7 and R-K8 ch); 2 R-K8! NxR (RxR is a similar finish); 3 N-R6 db ch, K-R1; 4 Q-N8 ch, RxQ; 5 N-B7 mate. Black has no defence to 2 R-K8 since if 2 ... B-K3; 3 RxB, or 2 .. B-Q2; 3 RxQR.

Solution to Problem No. 381

1 R-B4 (threat 2 B-K4), P-B6; 2 R-KB6, or if P-Q4; 2 NxRP. Not 1 R-K7? P-B6 nor 1 B-B3? P-Q4.

COLLECTING

A good laugh—seriously

BY JUNE FIELD

SIMON HOUFE in his indispensable *Dictionary of British Book Illustrators and Caricaturists 1800-1914* (Antique Collectors' Club 1978) drew attention to the fact that caricature remains a very promising field for the enthusiast, while pointing out that it is if anything less fashionable than pure illustration, "perhaps because people are squeamish about sharing their houses with grotesque heads!"

Now that a good laugh is something we can all do with more of, the field looks particularly worthwhile, bearing in mind the words of the 19th century philospher, Samuel Butler the younger, that "a sense of humour keen enough to show a man his own absurdities will keep him from the commission of all sins, or nearly all, save those that are worth committing."

One of Nicholas Bentley's drawings from J. B. Morton's "1933 and Still Going Wrong," in a sale at Sotheby's Bloomfield Place, New Bond Street, London, W1 on Friday, July 31

While most caricaturists were indeed great characters, they did not always have a great deal to laugh about in their own lives, and often frittered away any money they made. James Gillray (1757-1815), probably Britain's first professional caricaturist, who concentrated on portraying Napoleon as "Little Boney" strutting across the map of Europe, died insane. George Cruickshank (1792-1878), who took on his mantle and chronicled the doings of duchesses, dandies, parish beadles and pickpockets, as well as ogres and long-nosed dwarfs, was an extrovert and eccentric. Michael Wynn Jones in *George Cruickshank — His Life and London* (Macmillan 1978), summed up: "So much of George's life was occupied with the effort of coping — coping with money, with business relationships, with drink, with friends . . ."

Hablôt Knight Browne (Phiz) (1815-1879), after his early popularity when he drew for Dickens (the pseudonym was to complement Dickens' Boz), went out of fashion, and eventually suffered paralysis of his right side and blindness of the right eye which meant he couldn't work. John Buchanan-Brown in *Phiz! The Book Illustrations of Hablot Knight Browne* (David and Charles 1978), records that in July 1878 he was writing "things are as bad as they can be," and nine months later: "I don't know where to turn or what to do. I have at last come to a full stop and I don't see my way just yet to get on again. My occupation seems gone, extinct." Fortunately thanks to the efforts of some of his fellow artists and the Royal Academy, he was given a small annuity.

In *The Illustrators of William Makepeace Thackery* (David and Charles 1979), John Buchanan-Brown reminds us that the mid-19th century creator of *Vanity Fair* also did considerable work for *Punch*. But he too was dogged by financial and personal troubles; his initial fortune vanished in the Bengal Bank failures, he was a gambler, his wife Isabella became hopelessly deranged, and he himself became critically ill due to various excesses as a young man, and later over-indulgence in food and wine.

And Louis Wain, who died in 1939 in his 79th year had long been in a mental institution, his obsession with drawing caricatures of cats continuing almost to the end, when the feline species themselves took on a crazed human air.

Phil May, known as the drinking-man's cartoonist, was a *Bohemian character* who was too generous and kind-hearted to hang on to his money; his death on August 5 1903 at the age of 39, was mainly due to cirrhosis of the liver. Yet he too was a talented artist, acclaimed by many including Whistler who pronounced: "Black-and-white art is summed up in two words—Phil May."

David Cuppleditch in an evocative new book *Phil May—The Artist and His Wit* (£9.95 plus £1.25 postage from Fortune Press, 115 Old Street, London EC1), calls him a kind caricaturist: "He did not delve into the grotesque, and he withheld moral judgments: His drawings ooze charm and a great many *of his jokes were drawn from* observation rather than imagination, and many had an autobiographical theme. He followed Hogarth in recording the mannerisms and foibles of the day."

The work of the early caricaturists needs some searching out; and whatever vintage, price will depend on whether the work is a print, original drawing or part of a book, as well as age, rarity and condition.

Phillips had a hand-coloured Gillray etching recently, a delightful parody of the Union Club (1801), and Sotheby's have had the odd "plate" book of *The Tours of Dr Syntax* by that contemporary of Cruickshank, Thomas Rowlandson, who has also been tagged "gambler, dissolute and naturally lazy." To look for is the work of lesser known and later artists such as Pickford Waller (1837-1927), amateur illustrator Sidney Sime (1867-1941), master of the macabre, Ernest Griset, French comic draughtsman of animals and fish, who worked for *Fun* and *Punch*, known for his numerous "Griset's Grotesques" and Jean Baptiste Guth, Vanity Fair contributor 1889-1908.

A modest £30 to £40 plus 10 per cent premium on the hammer price together with VAT, might buy you three of Phil May's books at Sotheby's Bloomfield Place on Friday, July 31. A small sale, mainly composed of English illustrated and private press books and related drawings, there are also some interesting early 20th century humorous items. The Heath Robinson drawings are mainly First World War vintage, reproduced in *The Sketch*, *The Bystander*, and de la Mare's *Peacock Pie*. One published in *The Strand Magazine*, 1917, shows a man in bed with a novel hot-water bottle, illustrating "The Peaceful Conversion of a Torpedo to a Foot-Warmer" expected to fetch between £300 and £400.

There is also what is believed to be the only known self-portrait of Sir Leslie Ward (1851-1922), who signed most of his work "Spy," plus two of his rather traditional water-colour portraits, estimates, ranging between £100 and £225. Among the later work of Sir William Nicholson (1872-1949) is *The Book of Blokes*, number 4 of 50 copies signed by the artist, with an original crayon sketch (£150-£200).

My favourite is a series of pen and ink drawings by Nicholas Bentley, who died in August 1978, thought to be the complete set of 99 for J. B. Morton's "1933 and Still Going Wrong" (£750 to £1,000). A drawing of a marvellous double-chinned character with long cigarette holder, dangling ear-rings and large beads, reading "Bilge by Dotti," it's a send-up on the 1930's arty blue-stocking, captioned "Lover of Ibsen—this is the drama's votary: her days are spent in reading curious foreign plays."

The greatest show on earth

GOLF

BEN WRIGHT

WHEN Captain Walpole welcomed Open champion Bill Rogers aboard British Airways Concorde flight 193 to New York last Monday morning the charming Texan was much moved by the warmth of the ovation he was accorded by his fellow passengers. He reciprocated by allowing the precious trophy to be paraded up and down the aisle by the chief steward, to further prolonged applause. Rogers's good friend and fellow Texan Ben Crenshaw cast an envious glance at the elegant old claret jug, but quickly disguised his disappointment by proudly producing for my inspection a magnificent framed photograph of Freddie Tait winning the Amateur Championship final at Hoylake in 1898, which he had been given by a member of that club on Crenshaw's pre-championship pilgrimage to some of our best links courses with the leading American golf writer Herbert Warren Wind and a party of keen golfers from that country who paid $7,500 each for the educational trip.

What a pity it is, in a way, that the delightful Crenshaw did not remain an amateur. His far too long swing that betrays him under pressure in strokeplay would be far less destructive in matchplay. His occasionally very wayward shots would lose him a hole or two instead of the whole shooting match. "Gentle" Ben could just pick up his ball—if he could find it—and walk to the next tee as he collected his thoughts. Certainly Ben must both shorten and firm up his swing if he is ever to win the major titles that are so important to him, even if such a radical change takes as long as two years to achieve.

Rogers, who won the World Matchplay Championship at Wentworth on his first visit to Britain in 1979, when he defeated the defending champion Isao Aoki of Japan by one hole, tied for 19th place in last year's Open at Muirfield, so this was his second win in three visits. He has also won twice in Japan in 1977 and 1980, no mean feat, but has been accused of being one of the "faceless clones" in America, where he has won but twice in six and a half years as a professional, and established an unenviable record by winning $230,500 in 1979 without winning a single tournament, a feat unsurpassed before or since. Rogers was touchingly excited by his success at Wentworth, and I shall treasure the memory of him scrambling feverishly around the Concorde lounge at Heathrow on Monday morning to be sure he had collected every British newspaper available.

From the British, Irish and European point of view the championship was extremely encouraging, although the cynics might say that we did so well because of the paucity in numbers of the American challenge. For the Europeans to take five of the top ten places and 12 of the top 20 was a remarkable achievement, particularly when one considers that in the 1977 Championship at Turnberry only Tommy Horton, who tied for ninth place, managed to deprive the Americans of a clean sweep of the first 12 places. The following year at St Andrews only four Europeans, Peter Oosterhuis (sixth), Nick Faldo (tied seventh), Seve Ballesteros (tied 17th) and Guy Hunt (tied 17th) earned places in the top 21 finishers. Not since 1965 have 12 Europeans finished in the top 20 of an Open. Mark James, who tied for fifth place at Royal Birkdale in 1976, was outright fourth at Royal Lytham in 1979, and now *shared third place*, must surely realise that he is ready to make a name and fortune for himself on the American tour.

The Championship was a great success largely because of the diligence of the Kent Constabulary, whose top brass took the trouble to attend every Open since Turnberry's first in 1977 to formulate their brilliant traffic flow plans with the help of Royal and Ancient officials. All the horror stories of Royal St George's inaccessibility were proved untrue, even if a lot of people stayed away because they believed them. But many of those tales concerning blackmail-type prices being charged in the area proved to be fully borne out in fact. How such blackmail can be banished to encourage the younger, less established American players to come over for the championship in the future should be a prime concern of the splendidly run Royal and Ancient organisation, if the greatest international golf show on earth is to be preserved as such. Perhaps they should consider chartering a jet.

But on the positive side Royal St George's' ample wide open spaces make it a superb venue for the Open, not to speak of the glorious golf course. Certainly the greens never achieved the traditional Open *Championship* speed, but the fairways were the best conditioned I have ever seen on a links. The tented village was a source of wonderment to first time visitors of my acquaintance, and because of the spare acreage at Sandwich its traders and customers were never in danger of interfering with play.

My own short list of six players against the field produced the winner and Ray Floyd, who tied for third place. In all my half dozen took away almost exactly a quarter of the total purse, worst placed being favourite Watson, who finished tied for 23rd place in a group also including Jack Nicklaus, Arnold Palmer and Tony Jacklin who, between them have won the Open no less than nine times.

Now is the time to think about bulbs

GARDENING

ARTHUR HELLYER

THE AUTUMN bulb catalogues have been arriving for several weeks, reminders that, though the big planting season for bulbs does not begin until September, there are some kinds that need to be planted earlier than that. Nor are they all early flowering kinds, two of them being summer flowering lilies, the pure white Madonna and its off-spring with *L. chalcedonicum*, the Nankeen lily or *L. testaceum*, an old but scarce hybrid *with apricot yellow petals* and orange red anthers.

Both are beautiful lilies and both have a positive preference, unusual in the lily family, for soils containing lime. Both are also exceptional in starting to grow again soon after the flowers fade so that the best time to plant them is August though no catalogues I have yet received mentions this quite important point nor does any offer early delivery, which I find surprising. However I have no doubt that Madonna lily bulbs will soon be available in garden centres and provided they are plump and undamaged (their scales are loose and easily broken off) this is probably the best place to obtain them unless they can be got direct from a nursery prepared to lift them from the ground while one waits so that they need never be dried off at all.

Lilium testaceum, once a common enough plant in cottage gardens, has become very scarce and the only catalogues I have found it in so far are those of De Jager of Marden, Kent and Van Tubergen, Upper Richmond Road West, London and then at around £2.40 a bulb which is an indication of how few there are for sale. Yet in good rich soil this fine lily multiplies well provided it is kept clear of Botrytis elliptica, a disease related to grey mould to which both it and the Madonna lily are susceptible. It should be much easier to control now that we have effective anti-botrytis fungicides such as benomyl.

Broadleigh Gardens, Bishops Hull, Taunton, which specialises in the smaller bulbs, devotes four pages of its always highly interesting catalogue to bulbs that will be despatched to customers in late August. Van Tubergen also undertakes to start despatch of autumn flowering bulbs from August 16 and recommends that no orders should be placed for these after September 12. Instead of this De Jager undertakes to keep colchicums and autumn flowering crocuses in cold store at the *right temperature to hold their* flowering so that they can be despatched throughout the autumn but, useful though this may be in some circumstances, it seems to me better to plant early and allow the bulbs to flower at their normal season.

Though colchicum flowers look superficially much like crocus flowers, they are quite unrelated, a fact that becomes more apparent in spring when colchicums produce stout stems with broad leaves quite unlike the tufts of narrow grassy leaves characteristic of crocuses. Colchicums grow from large bulb-like tubers which need quite deep holes if they are to be covered with an inch or so of soil as they should be whereas crocuses all form little corms which are quite content with holes two or three inches deep.

It is a little unfortunate that the best colchicum and the best autumn flowering crocus are both called speciosum for this can add to the confusion. The colchicum flowers are large and typically lilac pink but there is a very beautiful pure white variety which has become very scarce and so now costs at least three times as much as the common kind. *Crocus speciosus*, which is a fine blue with central orange stigmata, also has a good white form but thankfully both are in plentiful supply. There is no great difference in their price and they are in any case much cheaper than colchicums.

Both crocus and colchicum like open sunny places and can be naturalised but the colchicums are much better able to cope with coarse grass and wild flowers and, at least until one has worked up a good stock, I would prefer to grow autumn crocuses in cultivated beds.

Another race of autumn flowering bulbs much confused with crocuses because of a general similarity of flower form is sternbergia which some *people believe* to be the Biblical "lily-of-the-field" though others equate this with *Anenome coronaria*. Again the superficial resemblance of the flowers is misleading since sternbergias are neither related to crocuses or colchicums though they have similar requirements and an even greater need for sunshine and warmth. The flowers of the well known kinds are always bright yellow and the narrowly strap shaped, shining green leaves come with the flowers of *Sternbergia lutea* which is the most frequently planted species. I have never found this difficult to grow but it spreads more slowly than either colchicums or crocuses and is not suitable for naturalisation. Though not common and unlikely to be found in garden centres this sternbergia is not difficult to buy and it is in all the catalogues I have mentioned at around 20p per bulb.

Some firms also offer *Sternbergia clusiana* which is in some ways an even better plant since the flowers are larger, but the leaves do not appear until the spring and personally I like to see sternbergias flower with their foliage which sets them off most attractively. At one time *S. clusiana* was quite a rarity but now there seems to be plenty of it about and it only costs a little more than *S. lutea*.

Broadleigh Gardens are also offering this year a sternbergia I have neither seen nor heard of previously which is not surprising since they claim that it was not even described until 1979. It has white sweetly scented flowers but these do not appear until January so presumably there is no need to plant it until September. Until more is known about it the wisest course would seem to be to grow it in pots in an unheated greenhouse, frame or sunny window if only to protect its flowers from weather damage and its bulbs from mice. It could be a nice novelty to experiment with this winter.

It is always rather a puzzle to know when to plant hardy cyclamen since they do not like being out of the soil at any time. Probably the best method is to plant when the tubers are at rest which will vary according to the flowering time of the species. However though this can work well enough within a garden or when exchanging plants with friends it would be too complicated for nurserymen who will compromise either by *selling growing plants in pots* at any time of the year or by offering dry tubers in early autumn.

By far the best selection I have seen of these cyclamen is in the catalogue, just to hand, of Avon Bulbs, Bathford, Bath. It occupies four closely printed pages with detailed descriptions of 26 species and varieties including some that are new to me, though most of these are described as not fully hardy and so of limited use except to collectors with frost proof greenhouse or frames. However, the list does include what is described as a rare and exceptionally beautiful form of *Cyclamen cilicium* named *intaminatum with* tiny leaves and small white flowers sometimes lightly flushed with pink and also *C. jatrense* from the Slovakian mountains, possibly a form of *C. europaeum* with similar plain green leaves and scented carmine flowers from late June until August. Both these should be hardy and all the well known hardy kinds are also included in this valuable collection.

CHESS

LEONARD BARDEN

BOOKSTALLS ARE awash with chess literature on opening systems which the medium to strong club player rarely has time or wish to study in detail. The trend today even in master chess favours a simpler practical approach and less burden on human memory. William Hartston's *Penguin Book of Chess Openings* (£1.95) is a newly published overall guide which emphasises ideas as much as individual moves and should prove a useful handbook for next season's congresses and team matches.

In terms of the most popular opening, the Sicilian Defence, an emphasis on pragmatism means that White should avoid long complex lines based on 1 P-K4, P-QB4; 2 N-KB3 and P-Q4. Simple yet forcing ways to sidestep main line Sicilians are the Grand Prix Attack 2 P-KB4 (this column, June 20), an early B-QN5, or the pawn push 2 P-QB3.

This last move was a great favourite of the late Hugh Alexander, for many years Britain's leading master and FT writer, who claimed it was particularly effective in simuls at local clubs. I tested his theory and agreed; many opponents answer automatically (1 P-K4, P-QB4; 2 P-QB3) by P-Q3 or N-QB3 when White at once gains a strong pawn centre by 3 P-Q4.

Of course there is more finesse to 2 P-QB3 than that, and the opening is well documented in Murray Chandler's new book *Sicilian 2 c3* (Batsford, £4.95). It is unusually short (110 pages) for a specialist monograph, but this reflects the clarity and directness of White's second move. Chandler regularly plays 2 P-QB3 and his success—two of the three norms required to become Australasia's first grandmaster—is an argument for the opening.

A pragmatic attitude can also be harnessed to the other great puzzle for the king's pawn player—what to do after 1 P-K4, P-K4? World champions Capablanca, Fischer and Karpov all had fine results with the Ruy Lopez (2 N-KB3, N-QB3; 3 B-N5) but this does not make the Lopez the right choice at club level. Once again the problem is too much detail: not only do the main lines extend to move 20 or 25, but White also has to contend with a variety of dangerous counter-attacks any time from move three onwards.

An interesting answer to the 1 P-K4, P-K4 conundrum is a revival of the Bishop's Opening 2 B-B4. Its reputation is rustic and simplistical—White hopes to use the bishop for an early attack on Black's uncastled king. The new plan is for the bishop to support a slower piece build-up after Black has castled—in effect a Ruy Lopez without the complex side-variations.

White: L. Vogt (East Germany). Black: V. Chekhov (USSR). Bishop's Opening (Halle 1981).

1 P-K4, P-K4; 2 B-B4, N-KB3; 3 P-Q3, P-B3; 4 N-KB3, B-K2. If 4 ... P-Q4; 5 B-N3, B-N5 ch; 6 P-B3, B-Q3; 7 QN-Q2 again with a Lopez-style build-up.

5 0-0 (not 5 NxP? Q-R4 ch), P-Q3; 6 P-KR3, 0-0; 7 R-K1, QN-Q2; 8 P-QR4 (to keep the bishop on its best diagonal), P-QR4.

If Black opens up the centre by 8 ... P-Q4 then White develops quickly by 9 PxP, PxP; 10 B-R2, P-K5; 11 PxP, PxP; 12 N-N5, B-B4; 13 N-QB3.

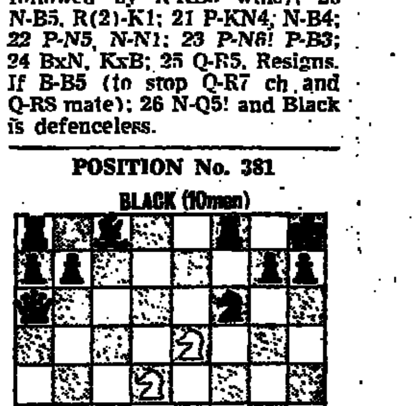
9 N-B3, P-KR3; 10 B-R2, R-K1; 11 P-Q4!

A delayed advance, to exploit Black's slow manoeuvres. The position is now like the Philidor Defence (1 P-K4, P-K4; 2 N-KB3, P-Q3) with Black committed to a cramped formation. White is already clearly better.

11 ... B-B1; 12 B-K3, Q-B2; 13 N-KR4, P-QN3; 14 PxP, PxP; 15 Q-B3! B-B4 (Black's QN cannot move because of BxRP); 16 N-B5, BxB; 17 RxB, K-B1 (the threat was 18 Q-N3); 18 R-Q1, B-R3; 19 NxRP! R-K2 (if PxN; 20 RxN! QxR; 21 QxN followed by R-KB3 wins); 20 N-B5, R(2)-K1; 21 P-KN4, N-B4; 22 P-N5, N-N1; 23 P-N6! P-B3; 24 BxN, KxB; 25 Q-R5, Resigns. If B-B5 (to stop Q-R7 ch and Q-R8 mate); 26 N-Q5! and Black is defenceless.

POSITION No. 381

BLACK (10men)

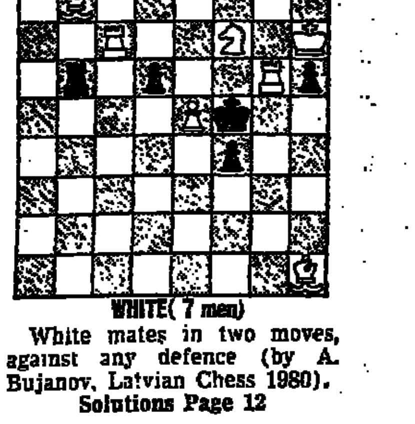


WHITE (10men)

C. E. Fellows v. R. Begerice, Mid-Sussex Cup 1981. FT reader Mr Fellows (White, to move) won this position with a neat variant on an old tactical theme. How should the game go?

PROBLEM No. 381

BLACK (5 men)



WHITE (7 men)

White mates in two moves, against any defence (by A. Bujanov, Latvian Chess 1980).

Solutions Page 12

BRIDGE

E. P. C. COTTER

TERENCE REESE and Eddie Kantar have produced "Defend With Your Life" (Faber £6.25). It is a most interesting book, but it is not for the beginner. The problems are really difficult, but the earnest student, anxious to raise his defensive standard, cannot fail to improve by reading it.

Let us first study "Excess Baggage":

N
♠ 8 7 4 3
♡ 6 5 4
◇ K 8 4 2
♣ K 10

W
♠ Q J 9
♡ A Q J
◇ J 10 9 7
♣ A Q 3

E
♠ —
♡ 9 8 7 3 2
◇ 5 3
♣ J 9 7 5 4 2

S
♠ A K 10 6 5 2
♡ K 10
◇ A Q 6
♣ 8 6

South deals at a love score and bids one spade. West overcalls with one no trump, *North* raises to two spades, and South pushes on to four spades.

Sitting West, you lead the diamond knave, your partner plays the five, and South wins with the Ace. Declarer plays off Ace, King and another spade, East parting with two low hearts and the five of clubs. You are in with the trump Queen—what is your next move?

You cannot play a diamond, because that will expose you to a finesse, a heart will allow the King to make, so you must lead a club. But which club? If you cash the Ace and follow with the three, you will have rectified the count for the declarer, and you will be squeezed *in the red suits*.

Playing a low club will not save you. It is true that this allows you to discard one heart and your two clubs on the spades, but then you will be thrown in with a diamond, and forced to lead from your Ace, Queen of hearts.

There is one solution—you exit with the Queen of clubs. When declarer plays two rounds of spades, you can let go the Knave of hearts and the Ace of clubs. Then, if he plays his last trump, you can throw your heart Queen, because you can get off play with the three of clubs.

We turn to "Dilemma":

N
♠ Q J 9 7
♡ K 10 4
◇ 8 7 6
♣ K J 4

W
♠ K 5 4
♡ A J 9 7 6 2
◇ 5 3 2
♣ 10

E
♠ 3 2
♡ Q 8 5
◇ Q J 10
♣ A 8 6 5 3

S
♠ A 10 8 6
♡ 3
◇ A K 9 4
♣ Q 9 7 2

South deals at game to North-South and bids one diamond, West says two hearts—a weak jump overcall—and North says two no trumps. South rebids three spades, North raises to four spades, and all pass.

This time you are East. Your partner leads the 10 of clubs, and dummy's Knave is played. Do you win or duck? On some occasions in positions like this *it is a guess whether to play* partner for a singleton or a doubleton, but this time you can find the answer by thinking things out.

If partner has a doubleton, then declarer will not be able to discard a diamond on dummy's clubs. This means that the defence will be able to make two Aces, one diamond, and, you hope, one other trick in diamonds or spades. But if West has a singleton club, you must win and give him the ruff immediately—otherwise he will never make it.

You cannot tell for certain that your partner has a singleton, but a little thought has shown that taking your Ace and continuing the suit is unlikely to give away the contract.

If you duck the first trick, the declarer will be able to discard one of dummy's diamonds on the fourth round of clubs, and your diamond trick will be lost for ever.

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Saturday July 25 1981

Waiting for Mr. Volcker

THE MARKETS regained something like composure by the end of this week, after a more than nervous start, but the immediate reasons had little enough to do with events at home. Two news items from the U.S. largely did the trick: the announcement that the economy had softened markedly in the second quarter, and market estimates that the weekly money supply figures would show a fall in the key M1B series. The dollar receded a little from its dizziest heights, and the pressure was off in London.

The fact that London should dance to the erratic tune of the weekly U.S. money figures is absurd: but in the absence of any comprehensible financial figures at home, traders respond to the only hard news available. What they are hoping for, of course, is the appearance of conditions in the U.S. which will persuade Mr Paul Volcker, the chairman of the Fed, to soften his unyielding stance on dollar interest rates.

Strategy

However, it is highly unlikely that Mr Volcker is nearly as interested in the weekly money figures as the market is; he is pursuing a long-term strategy aimed, like Mrs Thatcher's, at changing behaviour, as is the U.S. Administration. If the market's hopes are pinned on a change of U.S. stance, they are likely to be deferred for some time yet.

One result of this obsession with Mr Volcker is that relatively slight attention has been paid to some very significant developments at home, both in politics and in the market.

The Liberal-Social Democratic Alliance may have run into some internal difficulties over nominations, but the electors at the moment are still making it clear that they strongly desire its success. Nationally, as we remarked last week, this seems good news, but in market terms it seems a little double-edged. On the one hand the Benn factor, which had clearly been helping to weaken sterling since M Mitterrand's victory in France, can now be given a considerably lower value. On the other hand the political pressure on the Prime Minister to soften her strategy must intensify.

In these circumstances, the City has not found much reassurance in Mrs Thatcher's restatement of aims; such a statement, it is widely suspected, was only necessary because of the strong opposition which is growing internally to the present approach. The market will be doing some very careful costing of any measures announced to alleviate youth unemployment and of any concession to bridge the 3½ per cent gap between British Rail and its employees, and the progress of other public sector bodies. There is a nasty, suspicious mood in the air.

Politically, this may well be justified; but the feeling of crisis is also based on several misapprehensions about the financial situation, which add up to quite a misleading notion of a potential funding crisis. These should be corrected.

The trouble arises from concentrating attention too exclusively on one side of the balance sheet. The market guesses at the scale of various potential difficulties that the Government may or may not meet on its way to its own borrowing targets, but overlooks factors on the market side which may make such troubles relatively easy to manage, should they arise. These developments come under two heads: the new structure of funding, and the influence of sterling.

The authorities have now largely completed what amounts to a quiet revolution in funding. Investors have become so used to the almost exclusive official reliance on the gilts market for Government borrowing that they too readily overlook this change.

The link between the actual government borrowing requirement and the weight of new issues in the gilts market is now quite a tenuous one. One reason is the striking success of the new drive for national savings; the official target of £3bn for the financial year looks quite modest at the moment. Another is the appearance of other new instruments. Indexed issues have already relieved the conventional market of a potential £2bn of calls, and there is still a new short-term instrument in the wings.

Above all, though, there is a great deal of concealed funding going on which escapes the official figures. This is the result of substantial sales of gilts by overseas holders. When these stocks were issued and snapped up by foreign investors, analysts were quick to point out that the effect on domestic money growth was nil. Now that they are being sold on, the effect is of deferred funding.

Contribution

The scale of this effect is unknown; so is the effect on domestic money of the unknown swing in the current balance of payments. There is a further modest contribution to reducing the PSBR due to currency market intervention — a small counterpart to UK private investment overseas. But adding these unknowns together it still seems safe to say that a funding crisis is one of the less likely problems of the near future.

THE BRITISH ECONOMY

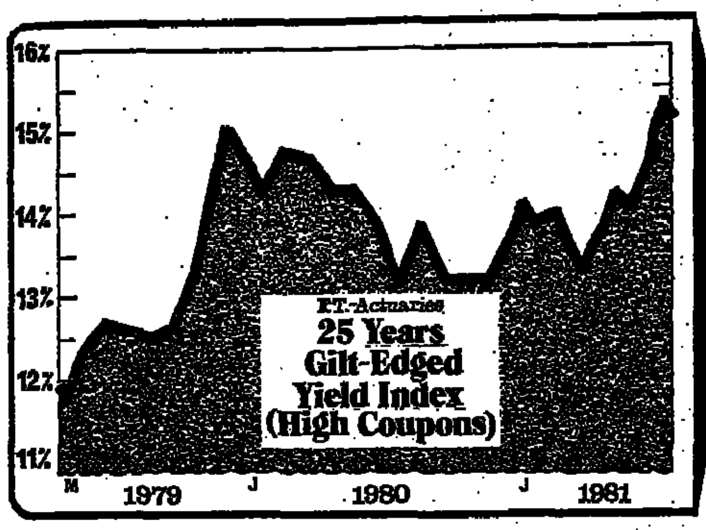
Sir Geoffrey cornered

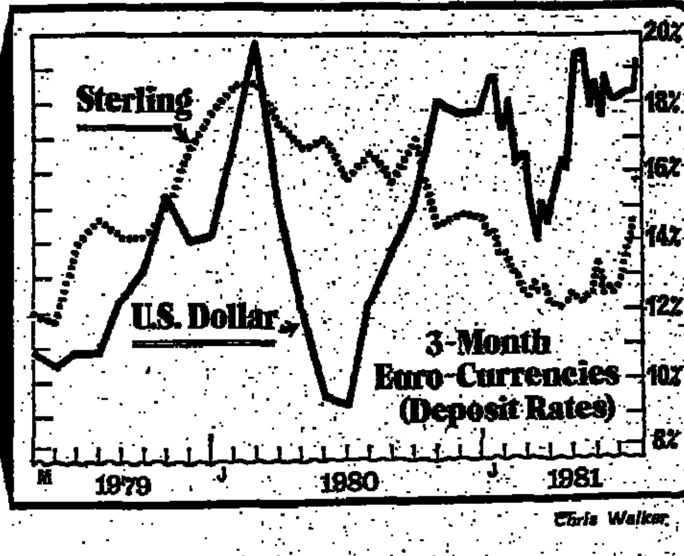
By Peter Riddell, Economics Correspondent

SIR Geoffrey Howe must now feel like Mike Brearley did last Monday afternoon when England were 105-5 and still facing an innings defeat. All freedom of manoeuvre has disappeared and there is little he can apparently do to avoid a humiliating setback.

A rise in the cost of bank overdrafts over the next few weeks will be hard to avoid, the Government's fiscal and monetary objectives are discredited, the economy shows no signs of recovery, unemployment is rising towards 3m, and the inflation rate is stabilising in double rather than single figures. Sir Geoffrey's dilemma is that almost any action appears to be loaded with political or economic dangers.

Unfortunately England's victory on Tuesday is no consolation. Contrary to popular mythology, cricket is not a microcosm of British public life. Sir Geoffrey neither has the tactical skills of Brearley nor does he have an Ian Botham or a Bob Willis available to turn imminent defeat into dramatic victory.





Chris Walker

The immediate dilemma is over sterling and interest rates. There is now a clear desire to stabilise or at least to slow the decline of the exchange rate in order to avoid an upsurge in inflation. But this aim conflicts with the other objective of holding, or preferably, reducing interest rates.

The result has been the tightrope act of the last fortnight in which the authorities have tried to hold both the pound and interest rates. A sharp fall in the former or a rise in the latter would be a major political blow. The hope is obviously that some of the pressure will ease if U.S. interest rates eventually come down but the timing is very uncertain.

All this is very different from the hopes of the spring and the March Budget. Sir Geoffrey's main aim was that the tightening in fiscal policy (via a sharp rise in taxes on wage-earners and consumers) would allow scope for a further reduction in interest rates. Ministers were also talking confidently about the beginnings of a steady recovery in output and a single figure rate of price inflation by early next year.

But what has happened to blow the strategy off course? The answer is a mixture of economic, financial and politiscal reasons:

(1) The economy. The recession may have flattened out but there are no signs of any general pick-up. Most official and private forecasts point to a fairly flat profile of activity over the next year. Although the rate of growth of adult unemployment has slackened, the outlook is for a continuing rise.

(2) Sterling. The exchange rate has fallen sharply against the dollar and slightly against the main Continental currencies since the early spring. This has been partly a response to the monetary squeeze and 20 per cent plus interest rates in the U.S. The accompanying chart shows the wide gap between dollar and sterling interest rates.

In addition, the fall in the oil price has undermined some of the petrocurrency attractions of sterling. The result has been to push up the cost of imported raw materials and to postpone hopes of achieving a single-figure inflation rate until late 1982 at the earliest.

(3) Monetary and fiscal. The civil service dispute has created a dense fog around the Government's finances. At least £5bn of tax revenue has so far been held up and this has pushed up Government borrowing.

The Bank of England claims that after adjusting for the distortions caused by the dispute the growth of money supply is within the 6 to 10 per cent target range. But few officials and no one in the City are reassured.

The actual rise in the money supply since the start of the present target period last February has been 14½ per cent, lending to the personal sector (notably for house purchase) has been buoyant and UK residents have a large potential source of liquidity in holdings of foreign currency deposits. Moreover, when the civil service dispute ends companies could boost their bank borrowings to pay the delayed tax bills.

(4) Political. There is a strong resistance among many ministers to Treasury requests for further cuts in public spending. This is coupled with calls for additional expenditure on capital investment and for measures to alleviate unemployment. The recent riots in the inner cities and the Warrington by-election have intensified these pressures.

All these influences together have not only dashed the cautious optimism of the spring but also further narrowed the Treasury's options.

A tough Budget might just about be acceptable if there are signs of improvement. But it becomes much more difficult to take unpopular action when such hopeful signs are absent and there is clear evidence of social and political unrest.

The official preference for studied calm cannot be maintained indefinitely. Once the civil service dispute ends, the payment of delayed tax bills will impose money market strains which will put upward pressure on interest rates. When the statistical fog clears, there could be some nasty surprises on the monetary and fiscal front in the autumn.

The Cabinet debate about public spending plans for next year will be coming to a head at the same time. So the chances are that there will be at least a review of policy in a November mini-Budget (however much Sir Geoffrey hates the term).

Looking further ahead, the Goverment's problem is how to maintain downward pressure on inflation while taking some of the edge off unemployment.

Mrs Thatcher's strong words to the 1922 committee of backbenchers on Thursday suggests no dramatic change of course but instead a shift of emphasis. The combination looks like involving a change in the balance of public spending, postponement of further cuts in the basic rate of income tax, further exhortation to reduce wage rises next winter and a greater emphasis on the exchange rate rather than on monetary targets.

So the Government goes into the Commons censure debate on Monday not one-all in the series like the England cricket team but two down and with little hope of retaining the Ashes.

Distress signals from the City

By Barry Riley

IN THE past few weeks London's financial markets have been sending out distress signals. Instead of economic recovery and further falls in interest rates, the financial community is suddenly grappling with a marked worsening of the outlook on a number of fronts.

Among the symptoms of this turnround in financial sentiment have been:—

- A rapid downward spiral by the pound sterling to well under $1.90.
- A rise of two points in money market interest rates.
- A rise in yields on medium- and long-dated gilt-edged stocks to more than 15½ per cent.
- A sharp fall in equities from the peaks of last spring.
- A widening of the gap between yields on gilts and equities to thet unprecedented level of over 9 per cent.

On the face of it, the City's big investors are adjusting to a much more pessimistic view of the chances that the Government will succeed in its anti-inflationary medium-term economic strategy. Rationally, rises in gilt-edged yields and a widening yield gap are associated with increasing Government borrowing and with an acceleration of inflation.

It is not entirely clear, however, to what extent the recent pressures have resulted from problems overseas — where interest rates are also at unprecedented levels in many countries—rather than disillusionment at home over the Government's chances of achieving its economic objectives.

It is all a far cry from May 1979 when the financial markets enthused over the Government's election. Equities boiled over immediately after the Conservative victory, because it was inevitable that the promised anti-inflationary policies would bring problems for industry, but for several months gilt-edged yields continued to fall. At one stage in the summer of 1979, long-term yields dropped below 12 per cent.

But inflation, both in terms of prices and pay, soared in 1980. The money supply, measured by sterling M3, has risen by some 36 per cent in just over two years. There have been excuses such as the ending of the distortions caused by the banking "corset" and the current problems of the civil service dispute. Government borrowing, however, has persistently overshot, and the markets have had to fund it.

As a result suggestions early in the Government's period of office that the flood of new gilt-edged issues might dry up now appear quaint. In calendar 1980 net issues of gilts totalled over £11bn, putting periodic upward pressure on yields.

Many of the big investment institutions are now glutted with gilts. In the first quarter of 1981, for instance, the pension funds and the long-term insurance companies bought around £1.3bn worth.

> In the financial markets the climate has become harsh. The institutional army marches on its cash flow, and it is evident that the fund managers are being much more stringent in their investment decisions.

The tough Budget last March reassured gilt-edged investors, and at he end of March long yields were at a comparatively low level—around 13½ per cent. The Government took steps to rebuild the gilt-edged market's confidence by aiming much of its still formidable funding effort at private investors, and by introducing index-linked bonds for pension funds.

At around the same time, whispers of an industrial revival reached the City's sensitive ears. In the absence of any ready supply of shares, the equity market whistled up, and the FT 30-Share Index almost reached the 600 mark at the end of April.

That economic recovery, however, proved very much of a false dawn. Industry is awaiting an upturn in activity with increasing anxiety; if it does not come soon, a fresh wave of cutbacks and restructuring may become inevitable.

In the financial markets, too, the climate has become harsh. The institutional army marches on its cash flow, and it is evident that the fund managers are no longer flush with cash and are being much more stringent in their investment decisions.

Gilt-edged yields have been climbing sharply, reaching the worst levels seen at the height of the 1976 sterling currency crisis. At the bottom last Tuesday, yields of over 15½ per cent were commonplace.

As for equities, the Index has tumbled to not far above 500 in the face of a flood of new issues.

But it is by no means all Mrs Thatcher's fault. The change of mood would be inexplicable without the international dimension. U.S. interest rates have gone high and stayed high; whereas sterling could withstand what seemed to be a temporary surge in dollar rates, it has been progressively worn down by the passage of time.

Fund managers now also have the freedom to invest anywhere. Institutions bought around £0.7bn of overseas company securities in the first quarter of the year, substantially higher than the volume of UK equities which they acquired. In the past few months, too, it is likely that foreign holders of gilts have been unloading them on to domestic investors.

Recent investment outflows have not, however, really amounted to any flight from sterling. They have largely reflected restructuring and diversification after many years in which portfolios have been distorted by exchange controls.

Yet at some stage in the future the outflows may become more overtly speculative—ahead of a general election, for instance. And already the Government is finding that the greater freedom of choice of investors is heavily influencing the level of yields in the gilt-edged market.

But it would be wrong to come to the conclusion that the City is entirely resigned to a new burst of inflation next year.

Short term currency and cash flow pressures can distort markets and take them out of line with the real economy. It is only a few months since the Treasury was publicly forecasting a drop in inflation to 8 per cent by early next year, in which case the real returns offered by gilts are unprecedented.

Investors now have to decide whether the various economic and political problems have led to such a severe worsening of the outlook for inflation that near-16 per cent yields are justified. The slight rally in gilt-edged prices from the bottom indicates that at least a few fund managers think they are not.

Letters to the Editor

Anguish

From Professor C. Elliott.

Sir, — Emboldened by Lord Robbins' article (July 21) I write to express my support for his three leading propositions.

The cries of anguish from the universities are not to be taken too seriously. There is inefficiency within the university system, not least because universities have convinced themselves—or have been convinced by the Association of University Teachers—that dead wood —*academic or administrative*— can lie undisturbed till its 65th year. I find depressing the failure of my colleagues to see the offer of redundancy money from Government, inadequate as it may prove to be, as an opportunity to shed those who are no longer suited to an academic appointment.

Lord Robbins is surely right to call for a longer period to make the adjustments that are called for by restraining the high social opportunity cost of expenditures on higher education. Three years is not long in industry: it is destructively short in an enterprise where the normal cycle is only three years. Some universities have sufficient funds stored away to enable them to phase their restructuring over a much longer period. There is thus generated further inequity and unevenness between institutions: some will have to be butchers, while others can afford to be neurosurgeons.

Lord Robbins is surely right to return to his last: to deprive a suitably qualified person (a category not confined to an A-level-bedecked teenager) of a *university education can only* increase both the inequities and the inefficiencies of our society. Make the universities get a grip on themselves by all means — but not at the cost of making Britain more divided and more dismal.

(Professor) Charles Elliott.
Centre for Development Studies,
University College of Swansea,
Singleton Park, Swansea.

Education

From Councillor M. Kellner

Sir,—In the aftermath of the riots, your leading article on July 13 discused ways of keeping young people "off the streets" and it quite properly expressed concern that the money spent for this purpose should be well-spent.

This brings to mind an anomaly—indeed, a scandal— of which people in the higher unemployment areas have reason to be conscious. A youngster who leaves school at 16 without a job to go to can become eligible for supplementary benefit. The youngster who stays at school or goes to a technical college receives no such benefit and, in consequence, imposes a financial burden on his family. (There are, of course, discretionary grants available from local authorities but they amount to less and their availability depends on the authority and on the course taken.) Those whose financial situation qualifies them for a social security benefit should not be disqualified because they continue full-time education. Indeed, there seems to me to be a strong case for inverting the system and for paying unemployed young people social security benefits only if they are taking a full-time course which is provided (or approved) by the local authority.

Such a policy would reverse the current trend to leave school at the earliest opportunity so as to be able to contribute social security benefit to the family; it would, on the contrary, encourage study as a genuine option for out-of-work young people.

Michael Kellner.
County Hall,
Durham

Grants

From Mr D. Wilding

Sir,—Whether or not the Datsun Nissan plant is to be sited at Shotton, our unemployment figure of 13 per cent (almost 1 per cent higher than the North-West) will not be absorbed by one large unit and the continuing task of attracting other manufacturing industry to North Wales is aggravated by increasing competition from other regions. North Wales has a fragmented population and our need is to attract many more smaller employment units throughout the Principality. It matters little whether these new companies are service or manufacturing units providing they offer lasting employment opportunities.

In my experience the statutory authorities administering *the Industry Act do not appear* to look favourably upon viable service industries and this is at the expense of new jobs which the area can ill afford to lose. The time is now ripe to amend the conditions which seek to limit grant aid to service industries, particularly those which supply manufacturers with their basic needs.

Wales, especially, would benefit from the introduction of financial assistance to service industries and I am surprised that neither the Welsh MPs nor the industrial development divisions of the various local authorities in Wales have campaigned hard for such a change to the rules. This is now long overdue and such a change would, I believe, attract a higher level of new and viable businesses to be located within the Principality.

D. G. Wilding.
Co-operative House,
New Street,
Mold,
Clwyd.

Corby

From Dr R. Bryer and Mr T. Brignall

Sir,—In the light of your report (July 20) on British Steel Corporation's production difficulties at Teesside we assume that Mr MacGregor has been inundated with offers of resignation from the senior managers responsible for developing the site and closing Corby, Consett and Clay Lane as a result.

Two years ago we analysed BSC's case for the closure of Corby (for the trade unions concerned). BSC's case was that, with the Redcar complex operating to design specifications, Corby and its workforce were redundant. We showed at the time that, even if BSC's very rosy assumptions about the likely performance of the Teesside complex were accepted, Corby's closure was not justified.

Now that the "rationale" for the closure of Corby's iron and steelmaking has been shown to be false, clearly it should be reopened and those who closed it should be asked to resign. If BSC's managers continue to be immune from the consequences of their mistakes, they will have no incentive to act in a more commercially prudent manner.

Dr R. A. Bryer,
T. J. Brignall.
University of Warwick,
Coventry.

Guyana

From the President, the Secretary General and the Chairman, Executive Committee, The Radclyffe International Philosophical Association

Sir, — Barbara Bentley's letter "Caribs and Akawaio" (July 22) appears to be as lacking in reason as does the Venezuelan claim to five-eighths of Guyana, to which it refers. The "disputed territory"— Essequibo—has no human affinity of any sort with Venezuela. Venezuela only made "serious" claim to the area—on the weakest possible pretext—when Britain was about to cede independence to Guyana: a matter which the 1966 Treaty left unresolved!

The Akawaio are a nomadic people, not town-dwellers, and would certainly pose no "refugee problem" for neighbouring countries. In Guyana the Amerindian is a full and respected citizen; in Brazil he is little more than a slave and in Venezuela a peon!

Ms Bentley's "health threat" would seem to be pure conjecture too, Guyana being far better served than any of her neighbours in this respect. Furthermore, she does not seem to realise that the cost of the hydro-electric project is governed mainly by the accessibility of the site. In the Mazaruni this will be extremely high: in the "alternative areas" it would prove prohibitive.

For survival Guyana must perpetually pump several feet of water from a vast geographical area—her fertile coastland. Must she then remain shackled to costly importation of oil for this purpose and leave undeveloped her own —and ecologically cleanest of all—alternative?

For survival, Ms Bentley, the Third World must develop, not remain forever "a large tropical rain forest" for the delight of ecologists in other lands.

William Mann
John Khasseyan
John Why.
The Radclyffe International Philosophical Association,
Old Gloucester Street, WC1.

Names

From the Chairman, Institute of Credit Management

Sir,—I refer to the letter from Mr Alec Just of the Law Stationers Association (July 8). The Government, in spite of representations which have been made to the Department of Trade by this Institute and many others, appears to be hell bent upon closing the Business Names Registry merely to save on a few civil servants, notwithstanding that it could be put on a profitable basis if it were reorganised.

We understand that registration is now to be substituted by some sort of certificate which the owner will display at his place of business, and that this practise is, according to the Minister, to be enforced by the police, as though they had not already enough to do. Surely it would be a simple matter for the names to be shown on Prestel and this would be enforced by the Customs and Excise, as we have already suggested, by a Prestel certificate being issued. Similarly, account on production of the banks would only open an Prestel certificate, which would show that the trading name had been advertised on Prestel and was available for all to see.

If an annual fee were charged this would ensure that those traders who had ceased to use a trading style would ask for it to be removed rather than continue to pay the fee, thus ensuring that the list did not contain a host of names which were no longer in use. In addition this would give the Post Office some revenue which Prestel appears to lack as the present time.

P. Granville White.
Institute of Credit Management,
1 Wardrobe Place,
Carter Lane, EC4.

Lloyd's

From Mr J. Kelvey-Brown

Sir,—Mr Martin (July 21) must have very limited knowledge of the insurance market as a whole if he thinks Lloyd's of London is not necessary. With an annual premium income of £2bn plus, the remaining company market would certainly not have the capacity to accept the enormous extent of liabilities that attach to this amount of premium.

If you take one section, such as contingency risks, even by using Lloyd's and the company market you can sometimes be confronted with a capacity problem which could in turn leave your client underinsured. Furthermore, there are many types of risks that Lloyd's will accept and the companies will not, plus the fact that many many companies cannot accept risks abroad in a currency outside sterling.

Lloyd's is very much the hub of the insurance market, which insurance companies, existing insureds, commerce and industrialists need more today than ever before.

John Kelvey-Brown.
Beech House,
High Street,
Ticehurst,

Facing up to the three million

MRS THATCHER has a marvellous opportunity next week to restate the Government's economic policy in a way that takes account of the nearly 3m unemployed and which still offers the Tories a chance of winning the general election. Yet it may be doubtful until the last minute whether the Prime Minister will be in any position to take full advantage of the opportunity offered.

The occasion is the opposition censure motion on the Government's economic and social record in the House of Commons on Monday—only a few days before MPs disappear for the summer holidays. The reason why it is still uncertain what Mrs Thatcher will say is that, after months of wrangling, Ministers have still not agreed on an approach to unemployment.

Unemployment is now the Government's number one problem, and is acknowledged to be so. The crisis may have been long in coming, but was foreseeable and indeed foreseen.

The figures for July, published this week, are not quite as bad as expected, but they are still bad enough: seasonally adjusted adult unemployed runing at 2.58m or 10.7 per cent of the labour force, plus a further 285,000 school leavers without work. The 3m figure is in sight, even if it may not be reached.

Unemployment is not a new phenomenon, as a glance at the graph shows. The trend has been rising since the mid-1960s. Nor can the particularly sharp rise in the last 18 months or so be attributed entirely to the economic and social policies of Mrs Thatcher. But the point is *simply this: it cannot be allowed* to rise much further without devastating political consequences.

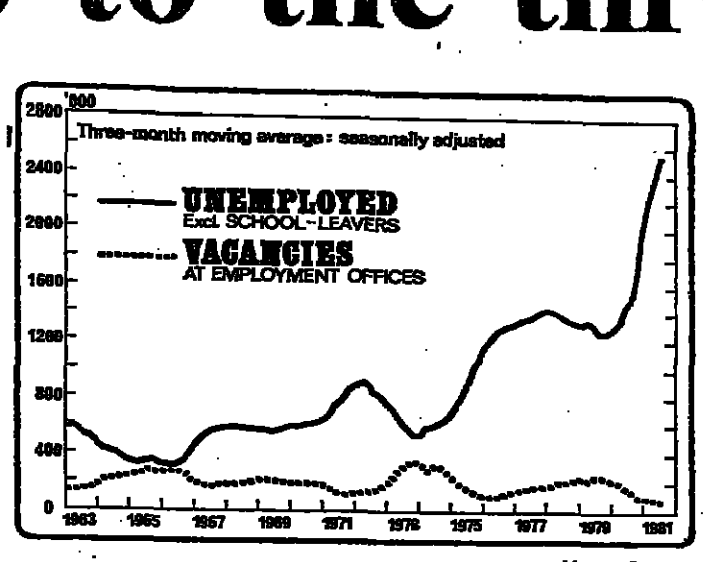
Mrs Thatcher's is not the only government which has let unemployment increase almost as an instrument of economic policy, either at home or abroad. It has been held to bring other gains, whether a reduction in the rate of inflation or an improvement in efficiency or both.

Around the three million mark, however, this policy must produce diminishing returns. To put it crudely, is another 100,000 out of work a price worth paying for a fall of one percentage point in the retail price index? The question can be put even more starkly if the emphasis is put on youth unemployment and the inability of school leavers to find jobs.

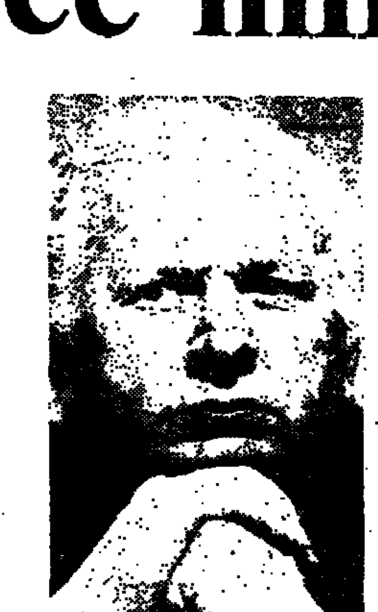
I *doubt* if any member of the Cabinet would disagree on that point. Tackling unemployment, especially youth unemployment, is now a priority even among Treasury Ministers.

There is not much disagreement either that it should not be done by what Mrs Thatcher this week called a "phoney boom" of stoking up demand only subsequently to stoke up inflation. The experience of the Heath Government, which reversed its economic policies in the face of mounting unemployment, is still remembered. Not even Mr James Prior, the Employment Secretary, wants to go through that again. There is no Tory pressure for general reflation.

The emphasis is rather on alleviating existing unemployment and on job creation. There has been agreement on this for more than a year, for it was last summer when the size of the problem first became clear. Yet what the Government has so far singularly failed to do is to agree on specific measures of relief.



Martyn Barnes



Professor Alan Walters, left, and Mr. James Prior, right, working on the same problems but not together.

The internal arguments reached new heights while Mrs Thatcher was away in Ottawa this week. It is far from clear that they can be quickly resolved now that she has returned.

There are essentially three parties involved: Mr Prior at the Employment Department Professor Alan Walters, who is the Prime Minister's economic adviser, and the Treasury.

Mr Prior wants to take all school leavers out of the dole queue by 1983. (The Government is already committed to finding a work place for this year's school leavers by Christmas, as well as for other 16-17 year olds who have been out of work for more than six months). He would like a considerable extension of the existing Youth Opportunities Programme (YOP) which provides young people with training and work experience on employers' premises.

He would also like more apprenticeships and training of all kinds, some of it on the German model which he much admires. He would further like *a scheme of paid but voluntary* service, if it could be devised. He is against compulsion or any form of substitute for national service.

The trouble is that Mr Prior's plans cost money—probably more than £1.2bn. The Treasury this week was reluctant to offer much more than half that sum.

There is a further disagreement. Mr Prior thinks that, despite the unemployment, the Tories still have a chance of winning the general election. But to show that they mean business they ought to come out with a whole panoply of measures now, preferably in Mrs Thatcher's speech on Monday. Otherwise, they will be seen to be releasing the funds in dribs and drabs over the *months and there will be no* coherent policy.

Treasury Ministers believe that there is no point in allocating funds all at once to schemes that still seem to them to be rather vague. In any case, they say, to introduce a major package of measures on the day that Mr Michael Foot is leading a censure motion on the Government would look like panic.

Professor Walters has come up with *some rather different* ideas. He appears to be no less concerned about youth unemployment than anyone else, but is looking for longer-term remedies rather than short-term palliatives. He suggests that school leavers could be hired at less than the normal rates of pay. Any firm agreeing to do *this might be relieved of its* national insurance contribution and possibly given a topping up grant as well.

It is impossible to put a price tag on this scheme because it would depend on how widely it was applied. It might, for example, be applied regionally like the old employment premium. But at least it would save the Government the cost of the unemployment benefits for those concerned, it would provide work experience and it *might have the knock-on effect*, which Professor Walters is after, of people pricing themselves into jobs.

There are, of course, formidable political problems here. It is worth noting, in case anyone missed the news item, that the National Executive Committee of the Labour Party voted 12-5 this week in favour of any youngster taking part even in the existing Youth Opportunities Programme being given full trade union rights, including union negotiated wages. There was a danger, it was said, of the scheme being exploited by employers seeking to substitute cheap labour for union jobs.

If that is one attitude to YOP, it is plain that opposition to Professor Walter's more radical proposals could be considerable. But they are still worth airing.

At the Government level, the oddest fact is that while Mr Prior and Professor Walters were working on the same problems, at no stage did they get together—at least until Mr Prior had the brainwave of proposing a meeting early this week. Professor Walters took the view that there was no way in which he, a hired economist in 10 Downing Street, could directly approach the Secretary of State for Employment, though he did talk to his officials. Mr Prior says that it would have looked like interference in the Prime Minister's Office if he had summoned the Professor.

Such are the ways of the British machinery of government. That is one reason why there may still be no definitive statement on Monday.

And yet it is hard to see why the proposals of Mr Prior and those of Professor Walters are in any way incompatible. There *could be a mixture* of the two. There are also all sorts of other ideas around. See, for instance, the recent discussion paper* by Professor Richard Layard of the London School of Economics.

Taking the public expenditure cost—benefits and lost tax—of one extra person unemployed as £70 a week, Professor Layard suggests that it might be better to pay the £70 direct to any employer hiring more labour. The employer would then make up the full rate for the job. The condition would be that the employer's overall labour force did not contract. At least it would be one way of coping with present difficulties, and one less open to attack from the unions.

Part of Mr Prior's problem seems to be an antipathy to Mrs Thatcher. It is not so much that he generally disagrees with her as that he dislikes her style. Yet that is Mrs Thatcher's problem too. Somehow discussion is not taking *place throughout the Govern*ment. The radical right is being held back quite as much as the Tory pragmatists like Mr Prior. The result is a terrible inflexibility.

Mrs Thatcher could make a very good speech on Monday, outlining her approach to the next two years and her determination to do something about unemployment. No one, not even Mr Prior, believes that the number out of work can be reduced by 1983, but a start could be made. The signs at the moment are that the Government is still ill-prepared.

Malcolm Rutherford

* Unemployment in Britain: causes and cures. Discussion Paper 87, Centre for Labour Economics, LSE.

Weekend Brief

A touch of cricket history

As the jubilant spectators swept across Headingly after England had won their historic victory against Australia, dramatically ending a grey period of 12 tests without a win, my mind went back to another great moment in Anglo-Australian cricket, the Oval in 1953. On that occasion, the crowd and the players were celebrating the return of the Ashes after an absence of 19 years. It also *heralded the beginning of Eng*land's most successful post-war period.

In the summer of 1953, as now, there was little to choose between the two protagonists. England enjoyed the better of the first and the third Tests, while Hassett's Australians *could* have won at Lords and Leeds. Thus the setting was ideal for a decider which caught the imagination of the public, as well as cricket lovers.

At the end of three absorbing days, in which fortune had constantly flowed to and fro, England, with Edrich and May batting, but Hutton out, were 38 for 1 and needing only 98 to win. It looked simple, but we all knew too well the fighting qualities of our opponents, and we also had great respect for their attack—Lindwall, Miller, Johnston, Davidson, and Archer —though in those days we believed five pace bowlers reflected a lack of balance.

England regain the Ashes at the Oval, 1953.

What was the atmosphere like in our dressing-room on that final day? It bubbled with excitement, expectancy and not a little fear. We literally picked off every run, which was greeted with a roar from the crowd that would have done justice to a goal at Wembley. Inevitably, the two men in the middle were the calmest, but even Compton, the next batsman in, displayed some emotion. Evans, as always, was optimistic; Laker laconically fatalistic; our captain, Hutton, and several others could not watch; and even Trueman's humour was subdued.

Eventually—it seemed like a lifetime — Hassett conceded defeat by putting himself and *Morris on* to bowl for the last two overs. And we knew the Ashes were ours. It was an unforgettable feeling, a combination of elation, excitement and relief. Our "special Everest" had been conquered, and the moment had come to rejoice, smile at our critics, and be eternally grateful to have been a member of a successful England XI. It still looks a good side: Hutton, Edrich, May, Compton, Graveney, Bailey, Evans, Laker, Lock, Trueman, and Bedser, and it was a joy to play in it.

A royal TV shindig in the U.S.

They may have thrown off the monarchist yoke, but Americans on the whole still love a good royal shindig. The big U.S. broadcasting networks are lining up millions of dollars and some of their biggest guns for The Wedding — which because of the timing will probably turn out to be the greatest breakfast show extravaganza ever seen on *U.S. television.*

ABC, the smallest but scrapiest of the three, seems to be making the biggest effort. They will be marshalling 12 camera teams and 200 people, 120 of whom are specially coming from the U.S.

The key figure in the coverage *will* be *Ms Barbara Walters*, ABC's queen of current affairs, who interviewed Mrs Thatcher when she was in the U.S. earlier this year. She will be aided by a team of hand-picked commentators, chosen no doubt to titillate American anglophilism! Robert Morley (well-known in the U.S. through his ads for British Airways), Carol Thatcher (daughter of Mrs), and chroniclers of the social scene: Anthony Holden and Nigel Dempster. ABC expects to give the event as much as 10 hours of coverage what with previews, analysis and aftermath to say nothing of the event itself — all at a cost of about a million dollars.

NBC will be sending its special events unit of 45-50 people which is always ready to hand, a spokesman said, for events like elections, space shots and assassinations. The network has hired Sir Huw Wheldon, Peter Ustinov, Tina Brown and Robert Lacey to add the words. *NBC's* coverage will start at 4.30 am New York time — or 1.30 in the morning for ardent royalists in California — and go on for at least seven hours.

The third network, CBS, is not sending any technicians, and will take the piped service instead. But *they* have secured David Frost and Antonia Fraser to provide the commentary from London. The programme will be pulled together in New York by Dan Rather — newly-appointed successor as news supremo to Walter Cronkite — for whom this will surely be his most challenging assignment yet.

But the breathless excitement may not add up to much in the way of revenue dollars for the TV moguls. Although millions of Americans are expected to watch at least part of the show, there probably will not be enough in those pre-dawn viewing hours to make advertising all that lucrative.

As a man at ABC said: "It's not exactly prime viewing time."

However, some people will be making a point of not watching the wedding. Several anti-monarchist groups have denounced the event as a ploy to stupefy Britain's oppressed working classes, and the recent riots in Britain have tended to highlight the contrast between the sumptuousness of the royal occasion and the shattered streets of Toxteth.

Piggy in the middle

A "pig," to a pipeline engineer, is something you put in the pipe to clean it or clear a blockage. Some say there was a time when a pig's carcass was pulled through to do the job.

But *the* traditional pig has come a long way in the hands of a research centre of British Gas at Cramlington near Newcastle upon Tyne. They have developed a family of electronic pigs intelligent enough to find any flaws in the 10,000 miles of high pressure gas grid which carries natural gas from the North Sea to almost all parts of Britain.

Next month the intelligent pig ventures abroad. Gas Unie has invited British Gas to inspect 112 kilometres of gas pipeline in the south of Holland, in the first contract of what the corporation hopes will be a rapidly expanding overseas business.

The story of the intelligent pig goes back to the late 1960s. Sir Denis Rooke, then responsible for gas production and supply, asked the newly recruited Director of his Engineering Research Station to develop a tool that would verify the integrity of the gas grid throughout its life.

The task, as defined, was dauntingly difficult. The tool had to be sure of finding any and every flaw that might appear in the pipeline of a size that could precipitate a blow-out and interrupt gas supplies. From the U.S., with far longer experience of high pressure gas pipelines, came lurid tales of fearsome blow-outs and cracks that ran for miles.

The half dozen scientists and engineers under Gerry Clerehugh, formerly from the aerospace industry, who tackled the tool estimated that it would take 10 years and cost £4m. Yesterday British Gas disclosed that its intelligent pig has cost no less than £47m at current prices, most of which has been *spent* in the past three years. This year Clerehugh will spend about £17m on British Gas's on-line inspection service.

By 1978, when it had cost £9m, it had already outstripped the budget of the rest of the Engineering Research station. "Why don't you be off and find a place of your own?" said Sir Denis Rooke, by then *chairman*. Clerehugh found a factory Courtaulds had abandoned at Cramlington nearby. Here he set up the Corporation's fifth research centre and the only one devoted to delivering a single scientific service.

This was to perfect the intelligent pig—or on-line inspection vehicle—and set it to work surveying the natural gas grid. It meant assembling a large family of pigs, tailored to sniff out different kinds of flaw in various sizes of pipeline from 12 inches to 42 inches. Technically its most difficult task has been to find a way of locating cracks in *the pipeline while* they are still small enough not to be a risk. Left unattended, such cracks might spread, increasing in speed as they grow longer, until they are propagating at the speed of a bullet.

Clerehugh believes he has cracked the problem by spending £7m on research by the Atomic Energy Research *Estab*lishment at Harwell. The nuclear specialists in flaw detection have come up with an ultrasonic technique he believes will find cracks as small as 1 in in length as the pig passes through the pipeline, pushed by the gas it continues to carry.

Harwell *is* now building a prototype of the smartest breed of pig its designers have conceived so far, scheduled for trials next summer.

But a family of pigs armed with magnetic sensors,

The "intelligent" pig which finds flaws in gas pipelines

assembled at *Cramlington* over the past few years, is already at work on Britain's pipeline. They are "fingerprinting" corrosion, dents, scratches and recording such flaws in a computer at Cramlington. On some 200 occasions British Gas has been sufficiently worried by— they would prefer to say "interested in"—the *recordings* to dig down, at a cost that can vary between £600 and £10,000 per hole, and take a closer look.

Only once has an intelligent pig got stuck, when one tried to take a bend that turned out to be tighter than pipeline standards permit. Now—with their biggest pigs *costing* as much as £600,000—they send a less intelligent pig along first, to make sure that no dent or kink can capture the more valuable beast. And the gas industry is spending £20m to get rid of such anomalies in its gas grid.

Will it pay off? Clerehugh admits that, with over one thousand miles inspected so far, and not a single worrisome flaw located yet, some people are beginning to question the costs. But the grid is expected to have *a life span of* 50 years. And he plans to examine its fitness with his pigs every five years.

Gerry Clerehugh is confident enough that he can sell a service of much the same size in total to pipeline operators overseas and still jealously guard the details of his technology. So keen are the U.S. natural gas companies to use his ultrasonic pig to look for cracks that they are begging him for a loan of the prototype as soon as Harwell completes it.

Contributors:
Trevor Bailey
David Fishlock
Caroline Hyde

Economic Diary

MONDAY: House of Commons debates Opposition motion of no confidence in Government economic and social policies. Mrs Margaret Thatcher expected to announce first stage of package to help reduce unemployment among young people. EEC Fisheries Ministers discuss joint fisheries policy, Brussels. National Coal Board annual report. Mr Malcolm Fraser, Prime Minister of Australia, talks on "Melbourne—the Key Issues" prior to Commonwealth Heads of Government meeting in September, Royal Commonwealth Society, London. European Commission officials and representatives of companies in Cumbria and Yorkshire sign contracts in London for loans under the European Coal and Steel Community Treaty. BBC Television statement on documentary features for autumn and winter.

TUESDAY: Council of Civil Service Unions major policy committee meets, London. Commons steel industry. Civil Aviation Authority annual report. Iraqi Oil Minister in London for talks with oil companies. The Queen and Duke of Edinburgh give wedding supper party for Heads of State, Governors General and Heads of Government, Buckingham Palace.

WEDNESDAY: ROYAL WEDDING. Professional Association of Teachers conference, Nottingham University.

THURSDAY: Full council meeting of Civil Service Unions. CBI industrial trends survey (July). British Shipbuilders annual report. Department of Employment Gazette. Energy Trends publications.

FRIDAY: Parliament rises for summer recess. Car and commercial vehicle production (June final).

UK COMPANY NEWS

Turbine losses depress John Brown

A DIVE into loss on the gas-turbines side and the cost of buying Leesona Corporation sliced into the 1980-81 profits of John Brown and Co. Almost in line with midway expectations taxable profit fell from £21.13m to £14.21m for the year to March 31 on sales up £119m at £582m.

However, a substantial deferred tax release enabled this engineering group to lift net profits to £24.25m (£13.46m) for stated earnings per 25p share of 24.7p (13.7p, or 12.9p if results of Constructors John Brown are included). Without the tax advantage, which created a £10.04m credit compared with a £7.68m charge for the previous year, earnings would have been little changed.

The net total dividend is being held at 4.25p by a same-again final of 2.5p and absorbs £4.17m for a retained surplus to come out higher at £15.33m (£9.25m).

Mr John Maybew-Sanders, the chairman, says the board believes the company is strategically in a much stronger position than a year or two years ago. This follows consolidation and restructuring to strengthen greatly the company's international technological and market base and satisfactory liquidity being maintained.

The £6.5m swing to a loss of £1.22m in the gas-turbine division arose as expected from a very poor order intake and tremendous pressure on margins. Sales here were down nearly £9m at £66m.

The gas turbines order book now looks much healthier but a lot more new business is needed to achieve targets, the chairman says.

The group's main activity of process engineering and construction slipped from £9.17m to £7.99m on sales of £290m (£246m). The trend of improving activity levels at Crawford and Russell in the U.S. has continued. Overall plastics and textiles recovered sharply from £490,000 loss to £6.36m surplus.

Leesona also did well despite deterioration in Italy and another dreadful year for the two old John Brown plastic machinery companies in the UK.

There is still no sign of upturn in Italy but the outlook for the UK factories is looking distinctly better although dependent on continuing improvements in productivity and market revival. So far improved prospects stem largely from export opportunities for products newly introduced from other Leesona companies for manufacturing in the UK.

The group's machine tool business lifted profits before tax to £1.35m (£1.03m) on sales of £64 (£55m). But this was before meeting the cost of eliminating unviable products and facilities which represented a substantial part of the group's £6.74m (£2.27m). extraordinary costs.

The recession hit general engineering where profit fell to £3.36m (£6.31m) on sales of £66m (£76m). Corporate charges less income took £3.63m including the Leesona acquisition costs, compared with £191,000 which included financing the Crawford and Russell purchase.

The impact of the extraordinary debits was again eased by surplus on sales of shares and assets and other credits amounting to £2m (£2.24m).

At year end bank balances, deposits and short term investments amounted to £33.94m (£33.56m) and overdrafts were up at £10.32m (£4.83m). Shareholders' funds stood at £108m (£92m).

On a current cost basis taxable profit was £4.7m.

Mr Mayhew-Sanders says the net bank balances of over £23m are greater than he anticipated in January, in part reflecting real gain but also some fortuitous excesses of receipts over payments which are not of a permanent nature.

See Lex Back Page

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
K. O. Boardman Int.	0.25	Sept 11	Nil	0.25	0.1
John Brown	2.5	Oct 6	2.5	4.25	4.25
Diamond Stylus	Nil	—	0.6	Nil	0.89
Dom Holdings	2.8	Sept 28	3.73	4.28	5.7
Gordon and Gotch	7§	Oct 1	4.5	10§	7.5
Howard Tenens	0.8†	Oct 1	1.28	1.55†	2.28
Harold Ingram	Nil	—	Nil	Nil	1.44
Leda Invest. Trust ...int.	1.47	Aug 31	1.47	—	4.27
Meldrum Trust ...int.	1.25	Sept 4	1.25	—	3.25
Polly Peck ...2nd int.	0.1¶	—	Nil	—	Nil
Weber Hldgs. ...int.	5‡	Oct 16	2	—	17
West Bromwich Spring	Nil	—	1.01	Nil	1.3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity —maintained total forecast. § Includes special bonus dividend of 2.5p. ¶ For 17 months.

NEI increases its APE stake to over 36%

Northern Engineering Industries, the Newcastle heavy electrical equipment manufacturer, bought a near 7 per cent stake in Amalgamated Power Engineering yesterday, taking its stake in the diesel engine, turbine, compressor group to over 30 per cent.

The move follows an unwelcome £25.6m takeover approach made by Northern for Amalgamated Power over a week ago.

Northern's total stake in Amalgamated stands at around 36.7 per cent. Before yesterday's purchase, Northern had built up its stake to nearly 30 per cent.

Northern said yesterday that the level of its offer remains unchanged "and will not be increased."

The offer will become unconditional if Northern acquires shares carrying more than 50 per cent of the voting rights.

Amalgamated Power's shares yesterday stood at 140p, unchanged by the day's events.

Law Land still says 'take no action'

Law Land, the property company, has repeated its advice to shareholders to take no action in respect of the bid from Churchbury Estates, and states that discussions are continuing between the Law Land board and its financial advisers, Lloyds Bank International.

Law Land intends to write again to its shareholders before the offer closes.

Churchbury Estates, a property group run by Mr Oliver Marriott, claimed victory on Thursday on the basis that it had received acceptances which would bring its stake in the larger group to more than 50 per cent.

Churchbury is offering one of its own shares for every six shares in Law Land. Churchbury shares slipped 35p yesterday to 705p. On the basis of yesterday's share price movements Churchbury's offer is valued at £45.2m. Law Land shares fell 7p to 116p.

LEAD INDS. GRP. ELECTROVERT

Lead Industries Group has acquired a 35 per cent holding in Electrovert, of Montreal, Canada, the world's leading manufacturer of automatic soldering equipment for the electronic and other industries.

There are further option stages at and from 1985, leading to eventual control by LIG—subject to Canadian government approval.

LIG will sell to Electrovert its subsidiary, Dee Electric Company of Missouri, U.S., and the Flowsolder Equipment division of Fry's Metals. Both these activities will be merged into the Electrovert group.

PITMAN SALE

The printing and publishing company Pitman has sold its Belfast printing subsidiary Pitman N.I. Ltd to Century Newspapers of Belfast for £225,000.

Of this, £125,000 was paid on completion of contract. Providing the business does not cease prior to these dates, further sums will be paid as follows: £33,000 in 12 months, £33,000 in 24 months and £34,000 in 36 months.

In the year to March 31, 1981 Pitman NI made a pre-tax loss of £111,601 (before extraordinary items of £455,375) on a turnover of £1,675,785. Fixed assets amounted to £230,240 and net current assets £141,398 at March 31, 1981.

As well as reducing group borrowings, Pitman says the sale was made so that it can concentrate its UK printing activities in the West Country.

BIDS AND DEALS

Promise of payout boost from Mills & Allen

Mills and Allen International is tempting shareholders of Letraset to whom it sent its official offer document yesterday with the promise of an increase in the MAI dividend from 13.3p to 20p.

Yesterday Sir Ian Morrow, chairman of MAI, explained that the board had been "stingy" with dividends while it struggled to recover from the problems inherited with the reverse takeover by Vavasseur, one of the fringe banks which collapsed in the 1974-75 banking crisis.

It now felt able to promise an unconditional 50 per cent increase in the dividend, although estimated profits before tax for the year to the end of June will be only about 13 per cent up at "no less than £11.4m."

Sir Ian also outlined his plans for Letraset which, he believed, would benefit from the injection of MAI's management and financial support in tackling the problems of its loss-making stamp dealing subsidiary, Stanley Gibbons. He had no intention "in the short term" of selling Gibbons, he said.

The Letraset board immediately replied with a frosty statement that the offer document "contained nothing which would cause the board to alter its opinion that the offer is totally inadequate."

In the market each of the company's shares rose by 4p, MAI closed at 440p, which values its ordinary and preference share offer at 105p per Letraset share. Letraset's price of 120p could be "discounting a rival cash bid or bullish trading prospects when the company reviews its figures in August," Mr Anthony Beevor of Hambros Bank, MAI's advisers, said yesterday.

Meanwhile, Letraset's dividend prospects were "cloudy," he warned. Letraset itself had refused to commit itself to a dividend ahead of the final figures for the year.

MAI, whose own businesses are money broking and cinema and poster advertising contracting, said that its offer assumed a basic level of profitability for Letraset's core business of graphics of about £9.5m before the losses and write-offs from Gibbons and the now closed toy divisions.

Given these assumptions and using MAI's own profit figure for last year of £10.1m, Letraset would contribute about 40 per cent of the enlarged group's profits. This proportion is reflected in the offer which would give Letraset's shareholders 38 per cent of the enlarged equity.

MAI's profit growth for the year just over, came mainly from the money broking and overseas advertising contracting. The home market for cinema and poster advertising had been weak and there had been a 30 per cent reduction in national cigarette advertising which accounts for 25 per cent of MAI's poster space.

APG properties sold for £2m

ALLIED PLANT GROUP has agreed to sell a large part of its industrial properties to Thames Investment and Securities for £2.05m, made up of £200,000 cash and £1.85m nominal of Thames 10 per cent convertible unsecured loan stock 1995-2001.

APG will retain £750,000 of the Thames stock, but the balance of £1.1m will be placed on completion at par by Tring Hall Securities. The cost of the placing will be borne by Thames. After the placing, APG will apply £500,000 of the proceeds to subscribe for 200,000 ordinary shares in Thames at £2.50 per share, representing a 5.97 per cent stake.

By a further agreement with Thames, APG will buy its 40 per cent stake in Protocol Engineering for £150,000. Protocol's business is manufacture and distribution of graphic arts machinery, including a colour printing process.

Mr Michael Heathcote, chairman, says APG directors considered the Thames offer "too attractive to refuse." In the longer term, APG will continue to work towards a portfolio striking a balance between investment in construction companies and in businesses providing services to the construction and allied industries.

The Thames stock is convertible in the years 1986-1994 at the rate of 20 ordinary shares for every £50 nominal of stock.

ROYAL BANK OF SCOTLAND/KIO

Kuwait Investment Office has acquired 700,000 shares in Royal Bank of Scotland, bringing its total shareholding to 7.07 per cent, or nearly 16m shares.

Royal Bank recently received two takeover approaches, one from Hong Kong and Shanghai Bank, which was bitterly opposed, and another from Standard Chartered Bank, which was welcomed by the Royal.

Both bids are being studied by the Monopolies and Mergers Commission.

NO NEW UNIGATE BID FOR CLIFFORD'S

Recent suggestions that Unigate, the dairy, grocery, meat products and transport group, might be considering a new bid for Clifford's Dairies have been rebutted. A spokesman for Unigate said yesterday that there was "absolutely no truth in these rumours."

Unigate bid £10m for Clifford's in April last year, later increasing its offer to nearly £14m, but the bid was rejected by the Clifford and Smith family interests.

SHARE STAKES

Sunbeam Wolsey—Discretionary clients of Robert Sandell and Co. now own, in aggregate, 405,915 shares (5.03 per cent).

Sainsburys—Director Mr S. D. Sainsbury now holds 14 per cent of company's equity capital.

Alexander Howden Group — K. V. Grob, director, on July disposed of 50,000 shares at 130p, leaving holding 955,464 shares.

Kwik-Fit (Tyres and Exhausts) Holdings—W. A. Stenson, director, has disposed of 77,500 shares. His wife Mrs M. Stenson has disposed of 27,500 shares.

Sangers Group—Mr G. H. J. Robinson, director, bought 12,000 ordinary. Mr C. M. Graham, director, bought 20,000 ordinary.

Young Companies Inevstment Trust—Cornhill Insurance Co. has acquired 40,000 ordinary shares, making holding 986,500 shares (15.14 per cent).

E. J. Riley—South Yorkshire County Superannuation Funds now holds 365,000 ordinary.

Martonair International — Executors of the late Mr George Godwin on July 3 sold 178,020 ordinary shares, reducing their holding to less than 5 per cent.

Marley—Notification by directors of transaction in company's shares: J. E. Aisher—disposal of 129,132 non-beneficial ordinary; R. B. Aisher—disposal of 104,616 non-beneficial ordinary.

London and Strathclyde Trust —Cavenham Pension trustees acquired 315,000 ordinary making holding 1,445,000 ordinary (10.03 per cent).

More O'Ferrall—Edward Rory More O'Ferrall, director, sold 100,000 ordinary. Total holding now 2,834,366 (17.29 per cent).

W. G. Allen and Sons (Tipton) —Brockhouse has disposed of 100,000 shares leaving holding 225,777 (6.07 per cent).

Marks and Spencer—Sale of 30,000 ordinary shares in which V. L. G. Osborne, director, had a beneficial interest, is notified.

Town Centre Securities — 50,000 shares been sold out of a non-beneficial holding of I. A. Ziff, chairman.

Catalin — E. B. Savory Milln and Co. has bought 10,000 shares at 68½p on behalf of Ruberoid.

Metalrax Holdings—E. C. Barber, director, sold on behalf of himself and his wife 200,000 ordinary. His holding is now 583,000 ordinary (2.70 per cent).

Monks Investment Trust — Courtaulds pensions common investment fund holding now reduced to below 5 per cent.

Heelmat Holdings — Scottish American Investment Company has bought 20,000 ordinary. Its holding is now 6 per cent of the class.

English and International Trust —The Equitable Life Assurance Society and its subsidiaries University Life Assurance Society hold 1,223,106 ordinary shares (12.03 per cent).

Rowton Hotels — Combined interest of Gresham House Estate Company and its subsidiary Security Change has increased from 381,500 to 531,500 ordinary shares, from 10.07 per cent to 14.028 per cent.

Prutex invests £150,000 in Farmfax

Prutex has invested £150,000 in Farmfax and now holds a minority equity stake. The additional finance will cover Farmfax's medium-term financial requirements for the development of its marketing organisation and for the launch of new products.

The injection of capital by Prutex will enable Farmfax to maintain a leading position in the agricultural computer systems market.

Farmfax was founded in 1978 and has developed a comprehensive range of computer software for farmers, land agents and agricultural suppliers.

Prutec is a subsidiary of the Prudential Assurance Company and was formed in 1980 to undertake the commercial exploitation of technology.

HEATONS

The Leeds-based Heatons, maker of sheepskin and fur clothing and coats, which went into receivership on May 15 1981, has been bought by the Queensway Group of Companies, based in Birmingham.

Heatons will continue to operate at Mabgate, Leeds.

Polly Peck back in the black and pays second 0.1p interim

IN THE PERIOD between March 20 1980, and February 28 1981 ladies' clothing manufacturer Polly Peck Holdings made a pre-tax profit of £51,779 compared with a loss previously of £43,989. Turnover moved ahead from £1.04m to £1.52m.

A second interim of 0.1p per 5p share has been declared for the period. A first interim of 0.1p was paid on April 3. Earnings per share are stated at 0.67p compared with a loss per share of 1.71p.

The company acquired 57 per cent of equity of Cornell Dresses on January 8 1981. No contribution from Cornell has been incorporated in the results. The directors do not see any reason to amend the forecast made in the circular to shareholders at the time of the rights issue, that profits will exceed £2m for the financial period to August 31 1981.

In the interim report Mr A. Nadir, the chairman, said that the subsidiary Uni-Pac Packaging Industries had made good progress in establishing a new corrugated packing plant in northern Cyprus.

The directors now report that "the first months of trading of Uni-Pac Packaging Industries have strengthened the company's conviction that growth potential is very substantial. The company has considerably expanded the production capacity of the original plant.

"These additional facilites will enable the company to sustain higher level of output which will be required to meet part of demand existing in the area.

"In order to ensure a regular and continuous supply of raw materials, the decision has been taken to lease two ships. Apart from raw materials, it is intended to carry cloth and garments as well as citrus fruit and horticultural products, thus maximising returns on this investment."

Commenting on the results, Mr Nadir says, "In considering these figures it should be borne in mind that full production of corrugated packaging did not begin until after February 28 1981 and, therefore, made no contribution to group profits in the period under review.

"The traditional business of clothing manufacturing and retailing is showing a substantial advance with turnover running approximately 50 per cent above the level of the same period last year, reflecting not only increased volume of business achieved by "shop-within-store" units operated by the company but the successful entry into direct mail order business and demand in export markets."

Included in the pre-tax figure are extraordinary profits of £9,189 (£45,592). There was again no tax charge.

● comment

It must have been a very profitable summer at Polly Peck. With only five weeks to go the directors are reaffirming their £2m forecast—an average profit of £400,000 a month for the final five months after a figure of under £5,000 in the first eleven. This transformation, assuming it is actually achieved, is thanks to the Cyprus corrugated packaging factory. It was late getting started which must have jangled a few nerve ends but if it can turn out 8m boxes in the final period to August the market believes the forecast is safe enough. The plant is capable of producing 35m boxes a year. Cyprus alone uses 12m to 15m boxes and Polly Peck should be able to scoop the pool if imports are banned as expected. The hope is that mainland Turkey will be a willing importer. Two vessels have been leased to ship raw materials in and fruit out. PP will also find willing takers of shipping space amongst the textile interests of Wearwell and Cornell which use a considerable amount of Cypriot labour in their garment make-up operations. Keep the vessels full and they should be profitable. On paper it looks good and some very impressive forecasts are floating around the market. But progress needs to be kept up at a fairly dramatic pace to support the price. At 342p the market capitalisation is £25m and the annualised fully taxed p/e on £2m profit is a heady 37.

Boardman surges to £516,571

TAXABLE PROFITS of K. O. Boardman International advanced from £242,653 to £516,571 in the year to March 31 1981 on lower turnover of £20.3m compared with £25.2m.

At the half-year stage this commercial printer and manufacturer and importer of clothing, had improved pre-tax profits from £126,000 to £243,000 on turnover of £9.78m (£11.66m).

The directors say that with the return to overall profitability dividend payments will be resumed. However, current trading conditions are extremely difficult and the group is adversely affected by the general recession and the weak state of sterling. Thus the final will be restricted to 0.25p net (nil) per 5p share.

Pre-tax profits were struck after trading losses of £25,162 (£499,064) incurred prior to closure decisions, and surpluses on the sale of properties and part settlement of Portuguese claims amounting to £84,931 (£150,752).

There was a tax credit of £348,854 (£21,766 charge) which incorporates a transfer from deferred tax of £542,799. After extraordinary debits of £11,631 (£1.66m)—relating to goodwill written off—the attributable profit emerged at £753,794 (£1.44m loss).

Earnings per share are stated at 1.44p (0.96p) excluding the deferred tax write-back and at 3.98p including it.

The directors point out that depreciation has not been provided on buildings according to SSAP 12—had such provision been made it would have amounted to an estimated £25,000 (£24,000).

Slight fall in year-end figures but Gordon & Gotch pays bonus

SECOND-HALF pre-tax profits of Gordon and Gotch were £23,000 lower at £596,000, and figures for the full year also declined from £1.23m to £1.1m. Turnover of this exporter of publications with interests in computer services rose from £30.91m to £35.75m.

At the halfway stage, when profits of £504,000 (£621,000) were reported, Sir Anthony Percival, the chairman, said he considered that trading profits for the rest of the year were unlikely to be significantly better than those for the first half.

He said on that occasion that depressed international trading, particularly in the publishing industry, had cut back profits, but despite those conditions, the company's investments in the previous six months had performed extremely well.

The year's pre-tax figure includes associates' share. After tax up from £596,000 to £617,000 and minorities of £6,000 (same), group net profit was lower at £479,000 against £631,000.

The final dividend is unchanged at 4.5p, but there is to be a bonus payment of 2.5p for a total of 10.5p (7.5p). Dividends absorb £343,000, before the bonus. Stated earnings per 25p share have dipped from 13.81p to 10.48p.

There was an extraordinary credit of £744,000 net, being the surplus on realisation of investments and other extraordinary items. From this amount, £114,000 will pay the bonus dividend.

Portsmouth News advances

FOR THE 13 weeks to June 27 1981 Portsmouth and Sunderland Newspapers made pre-tax profits of £736,000 compared with £540,000 for the same period previously. Turnover moved ahead from £4.75m to £6.14m.

Tax took £288,000 against £129,000 and earnings per 25p share are given as 3.7p compared with 4.4p. Current cost accounting produces a pre-tax figure of £361,000 (£132,000).

The company owns the Evening News and Hampshire Telegraph, the Sunderland Echo, the Northern Daily Mail and various weekly regional papers.

First-half decline at Inco

CANADA'S INCO, the world's largest producer of nickel, has turned in lower earnings for the second quarter and first half of the year.

The company's problems persist, and with markets for its primary metals and alloy products currently depressed and unlikely to recover until some time in 1982, it expects lower profits for the rest of this year.

Earnings for the second quarter came out at US$42.8m (£23m) or 46 cents a share against $46.1m or 53 cents last time. This performance cut first-half net profits to $69.7m or 74 cents a share, less than half of the $143.6m or $1.74 earned in the first half of 1980.

Reduced production and a modest improvement in nickel markets during the latest three months contributed to a slight reduction in the company's huge stocks of finished nickel. Stocks fell to 157m lbs from 162m lbs at the close of the first quarter.

Inco has maintained its quarterly dividend at 18 cents a share.

Howard Tenens slides to £0.36m

REDUNDANCY costs amounting to £350,000 and interest charges up from £773,000 to £782,000 contributed to Howard Tenens Services reporting a substantial drop in pre-tax profits for the year to March 31 1981.

The figures are down from £113m to £363,000 on turnover £6.38m lower at £20.31m.

At halfway pre-tax profits were down from £578,000 to £153,000.

The board of this distribution and engineering services group says the results of the current trading year to date are satisfactory and ahead of budget. It remains "quietly confident" in the group's ability to make the most of the future.

Associates' earnings were £238,000 compared with £151,000.

There was a tax charge of £159,000 (£308,000), and after extraordinary debits of £91,000 (£151,000) and minorities of £56,000 (£111,000), the attributable profit emerged at £57,000 (£558,000). Stated earnings per 25p share of the increased capital is 0.93p (5.29p).

The final dividend is 0.8p for a total of 1.55p on capital increased by last year's rights issue, compared with a total last time of 3.26p.

● comment

Howard Tenens had continued its downward slide in the second half, with pre-tax profits tumbling some 62 per cent on last year. The company has bobbed in and out of losses over the past five years and unless trading picks up substantially, prospects are not bright for a strong recovery in the coming year. The company's principal trading areas—engineering and storage—are heavily dependent on the motor industry and as a result are not likely to show much buoyancy in the short term. The group used its £1.4m rights issue last April to buy a warehousing project in Andover, which it says is now substantially occupied. The company has dipped into reserves to cover the reduced dividend for a fairly unattractive yield of 3.6 per cent at 62p, down 3p yesterday. The market capitalisation is just under £10m compared to shareholders' funds of £14m.

Two new trusts to invest in Far East

Two new investment trusts specialising in Far Eastern companies—one investing solely in Japan—are to be launched next week.

Underwriting has been completed by stockbrokers, Hoare Govett, for the offer for subscription by Stockholders Far Eastern Investment Incorporated of U.S.$1 each of SFE at an offer price of U.S.$2 per share. At the same time, Ivory and Sime, the Edinburgh-based investment group, was finalising plans for the underwriting by Guinness Mahon of an even more specialist trust, Japan Assets.

While Japan Assets is expected live entirely up to its name and is designed to remain almost fully invested, SFE intends to comit 55 per cent of its portfolio to Japan, to hold a tenth in cash and to invest the remainder in varying small degrees in Singapore and Malaysia, Hong Kong, Australia and other areas.

Dom profits tumble to £110,823

HERTFORDSHIRE-BASED Dom Holdings, which makes and retails fixing products such as screw anchors, expansion bolts and masonry nails, saw a sharp fall from £1.43m to £110,823 in its pre-tax profits for the year ending March 31 1981. Turnover was down from £14.91m to £13.88m.

At half-time pre-tax profits had been £142,310 against £703,654, and the company had forecast lower results for the second half compared with the previous comparable period.

The final dividend is to be cut from 3.732p to 2.799p making a total of 4.278p compared with 5.704p. Earnings per 10p share are stated to have slipped from 14.17p to 7.93p.

The chairman says that during the past year the company has carried out a firm policy of rationalisation in all areas, and the benefits should be seen in the current financial year.

"Working capital has been strictly controlled and, resultantly, interest payments will be considerably lower during the current year. Investment is, in the main, being directed more towards computer systems and software."

He adds that overseas trading during the year was further adversely affected by the appreciation of sterling.

"Whilst the board is more optimistic about the group trading profit for the year as a whole, there is no sign of any recovery from the current recession."

There was a tax credit for the year of £483,910 against a charge of £366,637. Current cost accounting shows a pre-tax loss of £243,000.

Results due next week

Analysts' predictions of ICI's interim results, to be reported on Thursday, for the six months ended June 30, cut a wide swathe from £60m to nearly £90m, against £224m last time. The underlying themes, however, are more in line. Fundamental demand for ICI's major products remains weak. While there has been some growth overseas, the group's improvement over the first quarter's results of £52m pre-tax will be largely the result of continued hacking away at costs, including more redundancies. The fibres division is still in losses and while sterling's weakness against the dollar has helped contributions from North America, sterling's continuing strength against the Deutsche Mark is much more important to the group.

The total dividend is expected to be maintained at 17p. However, a cut in the interim to 8p or 9p has been widely mooted as a means of balancing the interim and final payments.

The market was expecting unchanged interim profits and only a modest dividend increase from LLOYDS BANK two weeks ago but it reported a 20 per cent profit rise and pushed up the dividend by 15 per cent. Midland Bank and National Westminster Bank are publishing interim results next week—NatWest on Tuesday, Midland on Friday—and analysts have stuck with their expectations for profit declines from both despite the Lloyds surprise. Estimates for NatWest pre-tax profit range around £210m compared to £224.8m last year while Midland might fall to about £100m compared to £124.5m last time. Midland is missing last year's excellent gold dealing results from Samuel Montagu.

NatWest might match Lloyds' interim dividend increase rate, which would mean 10p, but an unchanged 7½p or ½p rise is all that is expected from Midland.

Grindlay's Holdings reports interim figures on Tuesday and a 10 per cent profit increase to £19m seems likely, thanks to the weakening of sterling and a recovery in the group's margins on Eurobond business.

The market is expecting an improvement from Nottingham Manufacturing which reports interim results on Monday for the six months ended June 30. The group should turn in pre-tax profits of about £8m, against a depressed result last time of £4m. Its sales to Marks and Spencer—some 50 per cent of turnover—have held up well in the half, but average delivery prices have not advanced much over last year. As a result of this squeeze on margins, the company has continued with extensive cost-cutting measures. Nottingham's cash hoard of some £46m at year end continues to fuel acquisition rumours, but the company is unlikely to look beyond the textiles sector where the few healthy candidates have so far been hostile to a NM bid.

Lonrho, which reports interim figures on Thursday, has been unusually quiet lately so there are few clues to its position. The chairman said at the annual meeting in March that the group would continue to feel the effects of general industrial recession, particularly in Britain. The British motor and engineering businesses are thought to have suffered most but the contributions from Nigeria and Mexico should have improved. Overall pre-tax profit may be down to £46m from £51.9m. The interim dividend last year was 3p, but the company also paid a 4½p special interim; the final was then raised on the capital as enlarged by the rights issue, so it seems likely that a 4p interim will be paid this time.

Among other results due next week are preliminary figures from Acrow on Tuesday, interim figures from Vantona (Tuesday) and Lex Service (Thursday) and first quarter figures from Reed International (Tuesday).

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
A.A.H.	Monday	3.476	5.004	3.823
Acrow	Tuesday	1.5	1.5	—
Aeronautical & General Instruments	Monday	—	1.75	—
Cawdaw Industrial Holdings	Tuesday	—	—	—
Centreway	Tuesday	4.0	6.0	1.0
Cray Electronics	Friday	0.57	1.43	0.63
Dixons Photographic	Thursday	1.25	2.075	1.3125
Ellis & Everard	Monday	2.5	4.0	2.5
Fitch Lovell	Thursday	1.491	3.71	1.491
Forminster	Tuesday	1.68	2.52	1.68
Hambro Trust	Tuesday	1.0	2.52	1.35
Hesketh Motorcycles	Friday	—	—	—
Jarvis (J.) & Sons	Friday	5.5	6.5	6.0
London & Gartmore Investment Trust	Tuesday	—	1.0	—
Macarthys Pharmaceuticals	Monday	2.0	4.5	2.0
Marling Industries	Friday	0.42	0.47	0.42
Midland Trust	Monday	2.45	3.85	2.45
Norton (W. E.) Holdings	Tuesday	0.3968	0.4166	0.4
Norton & Wright Group	Tuesday	1.2808	3.1893	0.5
Priest (Benjamin) & Sons (Hldgs.)	Tuesday	1.694	5.1	1.894
Rexmore	Tuesday	1.458	3.451	0.5
Security Centres Holdings	Friday	0.4	0.6	0.5
Spear (J. W.) & Sons	Thursday	3.0	3.0	3.0
Stavert Zigomala (Hldgs.)	Thursday	—	6.02	—
Steinberg Group	Thursday	0.32	0.7798	0.01
Stirling Knitting Group	Monday	0.35	0.5	0.5
Tomkins (F. H.)	Monday	0.575	0.775	0.5
INTERIM DIVIDENDS				
Bank Leumi (U.K.)	Monday	3.15	7.0	
Bootham Engineers	Tuesday	5.5	6.0	
City Offices	Tuesday	1.3	1.8†	
C.S.C. Investment Trust	Monday	3.25	4.5	
Dunbar Group	Tuesday	3.1	3.1	
Ford (Martin)	Friday	0.65	0.65	
Grindlays Holdings	Tuesday	1.25	2.875	
Imperial Chemical Industries	Thursday	12.0	5.0†	
Lex Service Group	Thursday	2.8	4.2	
Lonrho	Thursday	3.9	6.0	
Midland Bank	Friday	7.5	14.0†	
National Westminster Bank	Tuesday	8.75	12.25	
Nottingham Manufacturing	Monday	3.0	3.9	
Plastic Constructions	Friday	0.835	1.5308	
Pratt (F.) Engineering Corpn.	Thursday	2.2	3.8	
Prestige Group	Thursday	2.5	4.375	
Temple Bar Investment Trust	Monday	2.5	5.2	
Vantage Securities	Tuesday	0.25	0.75	
Vantona Group	Tuesday	3.0	6.0	
INTERIM FIGURES				
Mount Charlotte Investments	Tuesday			
Reed International	Tuesday‡			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim dividend. ‡ First quarter figures.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Churchbury Estates made a marginal improvement in its offer for Law Land. The original bid of 10 Churchbury for 62 Law Land shares was revised to one Churchbury for six Law Land. The latter, in its defence document, described the bid as "derisory and totally inadequate," but Churchbury and its associates have claimed over 50 per cent control and declared the bid unconditional.

Ruberoid, the building products group, emerged as the bidder for **Catalin**, the resin-treated paper manufacturer. Ruberoid bought 40.25 per cent of Catalin's ordinary shares at 70p per share cash from Wix International of the U.S. and is extending the same offer for the rest of the Catalin equity, valuing the company at £1.19m.

Fulcrum Investments increased its bid for **Construction Holdings**, the former consulting engineer which was restructured as an investment trust in 1979. The revised terms are 3.3 Fulcrum units, each unit comprising five new capital shares and one new income share, for each Construction share.

Braham Millar, the loss-making mechanical engineering group, rejected a bid approach from **Fieldwood**, a private company which last week acquired a 14.9 per cent stake in the former at 18p per share.

Mr Tom Whyte's Bermuda-based **Paget Agencies** emerged as the buyer of a 14.76 per cent stake in **Sangers**, the loss-making pharmaceuticals, photographic and optical company. Mr Whyte said that the stake was acquired purely as an investment.

The week's major deal involved **Morgan Crucible**, which is to expand its industrial lubricants interests with the acquisition of **Hydrotex**, the Dallas-based subsidiary of Pioneer Texas Corporation, for $35m (£18.9m).

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Catalin	70*	70	68††	1.19	Ruberoid	—
Constrctn. Hldgs.	224§	212	193	2.02	Fulcrum Inv. Trust	—
G. H. Downing¶¶	239	238	228	14.41	Steetley	—
Greenbank Trust	154	140	178	1.23	Sturla Hldgs.	—
Hill (Chas.)	125*	130	92	1.46	Consortium	—
Hirst & Mallinson	37	29	30	1.91	Assoc. Brit. Eng.	—
Law Land	117§	116	99	39.99	Churchbury Estate	—
Letraset	105	120	87	44.90	Mills & Allen	—
Myson	68*	65	48††	6.53	Consortium	—
Nathan (B. & I.)	35*	33	34	0.65	Parker Knoll	—
Ofrex	130*	131	122††	25.81	Dennison	—
Paringa	80*	83	72	8.64	Apollo Int. Mines	—
Paringa¶¶	72½§§	83	65	7.83	Hampton Areas	—
Ruo Estates	58*§	57	58	0.79	E. Produce and Laurie Plnts.	—
Utd. City Merc.	40*	39½	29††	14.07	Arab Asian Bank	—
Wight Hldgs.¶¶	30*§	34	30	0.38	Thornwd. Inv.	—
Amal. Power	140*	140	109	25.61	Nthn. Eng.	—
Anglo Metrop.	99	106	101	5.65	First Penn. Mort. Trust	—
Beralt Tin	110*§	106	75	6.31	Charter Cons.	—
Cambridge Pet.	350*	350	280	14.00	Lon. Merchant Secs.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 24/7/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Rights Issues

Edward Jones Group—Rights issue of £429,573 of 15 per cent convertible unsecured loan stock 1996-98, on the basis of £1 of stock for every 10 ordinary shares.

Hanson Trust—Is raising £43.8m by way of a rights issue of 9½ per cent convertible loan stock 2001, on the basis of £2 nominal for every five ordinary shares.

Jantar—Is raising £245,000 by way of a one for one rights issue of 1.96m 12½p shares at par.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Albion	Mar	505L	(154)	—	(0.6)
Allied Textile	Mar	1,280	(1,270)	2.82	(2.82)
Autmtd. Security	May	1,030	(878)	1.15	(1.0)
Berisfords	May	212	(102)	1.2	(1.2)
Bullough	Apr	1,730	(2,420)	4.2	(4.2)
Concord Rotaflex	June	780	(164)L	0.6	(0.1)
Crest Intl.	June	270	(—)†	—	(—)
Deanson Holdings	Mar	53L	(152)	—	(—)
Drake & Scull	Apr	1,360	(804)	1.25	(1.25)
Howard Mchnry.	Apr	934L	(2,240)L	—	(—)
Jacobs (John I.)	June	630	(745)	0.7	(0.7)
Lovell (Y. J.)	Mar	1,010	(939)	2.25	(2.0)
Meggitt Holdings	Apr	276L	(90)	—	(0.42)
Scan Data	May	56	(23)	—	(—)
Vosper	Apr	962	(375)	1.0	(—)

Offers for sale, placings and introductions

Kennedy Brookes—Coming to the unlisted securities market.

London and American Energy—Permission has been granted for dealings under rule 163 (1) (e) following a private placing of 100,000 shares.

Subelectro—Is coming to the unlisted securities market by way of a placing of 5.4m shares at 55p per share.

Thorpac—Is coming to the unlisted securities market by way of a placing of 386,750 new shares at 65p per share.

Scrip Issues

Automated Security (Holdings)—One for one.

Dowty Group—One for two.

Stroud Riley Drummond—One for one.

Vinten Group—One for one.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aero Needles	Dec	93L	(301)	7.5	(14.0)	—	(1.6)
Arlington Motor	Mar	148	(1,530)	19.2	(21.8)	5.0	(9.0)
Astra Industrial	Apr	714	(471)	4.6	(1.4)	1.5	(0.79)
British Land	Mar	4,780	(3,910)	6.8	(8.1)	0.25	(0.25)
Celestion Inds.	Apr	1,040L	(113)L	—	(0.7)	1.0	(1.0)
CH Industrials	Apr	701	(1,180)	4.8	(7.8)	2.42	(2.42)
Control Secs.	Mar	636	(502)	4.6	(4.0)	2.8	(1.9)
Cook (William)	Mar	138	(627)	1.4	(7.2)	0.5	(1.3)
Crown House	Mar	2,090	(4,550)	25.7	(11.7)	5.25	(5.25)
Davy Corpn.	Mar	18,750	(15,940)	14.6	(12.5)	6.7	(6.7)
Dowty Group	Mar	36,240	(37,900)	20.4	(25.7)	5.0	(4.5)
Elbief	Apr	272	(311)	1.4	(1.4)	1.3	(1.3)
Giltspur	Mar	5,600	(4,600)	21.1	(16.3)	—	(—)
Hampson Inds.	Mar	544	(706)	1.6	(2.3)	0.75	(0.73)
Hampton Trust	Mar	16L	(57)	—	(0.3)	—	(—)
Hogg Robinson	Mar	9,020	(8,620)	12.5	(11.9)	6.0	(5.7)
Inchcape	Mar	71,070	(65,610)	30.6	(43.1)	18.15	(18.15)
Initial Services	Mar	19,710	(15,700)	22.4	(20.2)	9.0	(7.5)
Investment Co.	Mar	452	(382)	4.4	(3.7)	1.75	(1.58)
Jenkins (Robt.)	Mar	601	(28)	71.9	(9.7)	21.9	(21.9)
London Inv. Tst.	Mar	852	(410)	1.6	(1.1)	0.88	(0.35)
Lynton Holdings	Mar	1,310	(1,270)	8.2	(6.7)	3.4	(3.1)
McLeod Russel	Mar	1,100	(4,480)	30.1	(49.0)	7.5	(15.0)
MFI Furniture	May	11,780	(16,770)	5.9	(9.5)	2.62	(2.62)
Ransome (Wm.)	Mar	352	(720)	13.2	(23.1)	5.68	(5.6)
RIT	Mar	9,110	(7,600)	22.4	(18.9)	13.5	(11.5)
Siebe Gorman	Apr	3,510	(4,680)	20.2	(30.5)	7.26	(7.26)
Stroud Riley	Mar	609	(62)L	12.4	(—)	3.0	(0.5)
Syltone	Mar	570	(1,840)	9.2	(36.3)	9.0	(9.0)
Unilock	Apr	1,040	(1,510)	5.6	(6.6)	2.1	(2.1)
United Gas Inds.	Mar	1,650	(2,340)	8.0	(12.3)	4.9	(4.9)
Vinten Group	Mar	2,020	(1,370)	14.8	(9.2)	3.5	(2.8)
Ward & Goldstone	Mar	1,890	(2,610)	12.5	(17.2)	5.4	(5.4)
Wellman Engn.	Mar	656L	(1,990)	0.2	(9.2)	3.35	(3.35)
Wood (S. W.)	Mar	339L	(602)	0.3	(5.8)	1.0	(5.2)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated. † No comparable figure. L Loss.

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Bank	12 %
American Express Bk.	12 %
Amro Bank	12 %
Henry Ansbacher	12 %
AP Bank Ltd.	12 %
■ Arbuthnot Latham	12 %
Associates Cap. Corp.	12 %
Banco de Bilbao	12 %
BCCI	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½%
Barclays Bank	12 %
Beneficial Trust Ltd.	13 %
Bremar Holdings Ltd.	13 %
Bristol & West Invests.	13 %
Brit. Bank of Mid. East	12 %
■ Brown Shipley	12½%
Canada Perm't Trust	13 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
E. T. Trust Limited	12 %
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
Robert Fraser	12 %
Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
Heritable & Gen. Trust	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Hongkong & Shanghai	12 %
Knowsley & Co. Ltd.	12½%
Langris Trust Ltd.	12 %
Lloyds Bank	12 %
Mallinhall Limited	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Ryl. Bk. Canada (Ldn.)	12 %
Slavenburg's Bank	12 %
E. S. Schwab	13 %
Standard Chartered	‖12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
TCB Ltd.	12 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½%
Williams & Glyn's	12 %
Wintrust Secs. Ltd.	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.
† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 10% and over £50,000 11%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9½%.
‖ 21-day deposits over £1,000 10½%.

EUROPEAN OPTIONS EXCHANGE

Series	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C $400	2	18	2	39	—	—	$408.50
GOLD C $425	3	7	1	24.50	—	—	"
GOLD C $450	—	—	6	18.50	5	32 A	"
GOLD C $475	—	—	7	10	4	21	"
GOLD C $500	—	—	4	6.50	—	—	"
GOLD P $400	4	8.50	2	15	—	—	"
GOLD P $425	2	21	4	28	—	—	"
GOLD P $475	—	—	1	66	—	—	"
	Oct.		Jan.		April		
ABN C F.300	6	8	—	—	—	—	F.295
ABN C F.320	10	2	—	—	—	—	"
AKZO C F.25	102	1.40	6	2.50	—	—	F.24.30
AKZO C F.27.50	163	0.80	—	—	10	2	"
AKZO P F.25	10	1.60 A	—	—	—	—	"
AMRO C F.55	7	1.10	—	—	—	—	F.51.90
HEIN C F.45	—	—	—	—	31	5	F.45.90
HEIN C F.50	68	1.60	—	—	—	—	"
HEIN C F.55	17	0.90	—	—	—	—	"
HEIN C F.60	10	0.40	—	—	—	—	"
HEIN P F.45	—	—	—	—	33	3.80 B	"
HOOG C F.17.50	—	—	5	2.50	18	3.80	F.17.80
HOOG C F.20	25	1	10	1.70	—	—	"
HOOG C F.22.50	—	—	8	1	—	—	"
IBM P $50	—	—	—	—	5	1⅛	$54⅞
KLM C F.90	5	18	—	—	—	—	F.101.50
KLM C F.100	122	11.50	—	—	—	—	"
KLM C F.110	29	7.30	52	11.70	—	—	"
KLM C F.120	19	4.60	—	—	—	—	"
KLM C F.130	16	3	—	—	—	—	"
KLM C F.140	10	1.60	—	—	—	—	"
KLM C F.150	30	0.90	—	—	—	—	"
KLM P F.60	10	0.40	—	—	—	—	"
KLM P F.70	12	1.20	—	—	—	—	"
KLM P F.80	19	2.60	—	—	—	—	"
KLM P F.90	69	4.30	—	—	—	—	"
KLM P F.100	141	7.80	—	—	—	—	"
KLM P F.110	19	12.30	10	33 A	—	—	"
KLM P F.130	—	—	5	11.50	5	15	F.134.80
NEDL C F.130	13	8	10	5	5	10	"
NEDL C F.140	43	3.20	—	—	22	7	"
NEDL P F.130	—	—	—	—	—	—	
NATN C F.110	10	6.60	—	—	—	—	F.112
PHIL C F.17.50	40	5.40	—	—	—	—	F.22.30
PHIL C F.20	8	3.40	—	—	7	5	"
PHIL C F.22.50	115	1.70	45	2.60	55	3.50	"
PHIL C F.25	195	0.90	24	1.80	145	2.40	"
PHIL C F.27.50	50	0.30	167	0.80	—	—	"
PHIL P F.20	405	0.50	50	0.60	—	—	"
PHIL P F.22.50	25	1.10	—	—	—	—	"
PHIL P F.25	11	—	—	—	—	—	"
RD C F.80	—	3.10	15	13.50 A	—	—	F.89.50
RD C F.90	88	—	83	7.20	—	—	"
RD C F.100	375	4.80 B	6	3.20	—	—	"
RD P F.80	65	1.70	—	—	—	—	"
RD P F.90	404	3	30	7.50	—	—	F.144.40
UNIL C F.140	20	8.70	—	—	—	—	

TOTAL VOLUME IN CONTRACTS 3899

A=Asked B=Bid C=Call P=Put

APPOINTMENTS

Finance director for Associated Biscuit

Mr Hugh Brown, who will be joining the board of the ASSOCIATED BISCUIT MANUFACTURERS in October 1981, will assume responsibility of group finance director from January 1. **Mr C. B. Barber**, the present group finance director, will retire in September. Mr Brown was previously finance director, and latterly managing director, of Lyons Tetley.

★

Mr John Cousins joins the board of management at JOHN BROWN AND CO. on September 1 as director of personnel and industrial relations and will be based at the group's headquarters in London. He joins the company from the Plessey Organisation.

★

Mr Andrew M. Love has been appointed managing director of THE DUTTON - FORSHAW MOTOR GROUP, part of the Lonrho Group. He was a board member of Coral Casinos.

★

TUNNEL SPECIALITY CHEMICALS, a subsidiary of Tunnel Holdings, has appointed **Mr Paul I. Blake** a director. He also becomes regional managing director for Europe/Africa and managing director of the subsidiary company Bevaloid at Beverley, Humberside. He succeeds **Mr J. Norman Blake** who retires as managing director of the Bevaloid companies but continues as a consultant to Tunnel Speciality Chemicals, remaining on the board with special responsibilities for South East Asia and Australasia. **M Yves Cappelle**, managing director of Bevaloid France, and **Dr Terry L. Lloyd**, formerly technical director of Bevaloid South Africa, have been appointed respectively regional commercial and technical directors for Europe/Africa. **Mr Brian Standish** becomes managing director of Bevaloid South Africa.

★

Mr P. E. Whitaker, a divisional advances controller, MIDLAND BANK, has been appointed an assistant general manager, corporate finance division, from August 1. He succeeds **Mr P. G. H. Avis** who is retiring.

★

Mr Keith Hainsworth, managing director of Miller Buckley Developments has been appointed a director of BUCKLEY INVESTMENTS, the main board of the Miller Buckley Group.

★

Mr David Best has been appointed marketing director of LINK PAPER, a member of the MoDo Group. Mr Best was formerly marketing manager with Spicer Cowan.

★

Mr C. Redman, chief actuary, will become assistant general manager and actuary of ZURICH LIFE. **Mr B. Hopper**, sales and marketing manager, is appointed assistant general manager (marketing). Both appointments are effective from August 1.

★

Mr G. J. Knapman, general manager of MEDICAL SICKNESS ANNUITY AND LIFE ASSURANCE SOCIETY and the PERMANENT INSURANCE COMPANY, will retire from both posts on September 15. He will remain on the boards of the companies and be succeeded by the deputy general manager, **Mr D. J. Bond**.

★

ATV Midlands has changed its name to CENTRAL INDEPENDENT TELEVISION. The company was awarded the Independent Broadcasting Authority contract in the east and west Midlands from January 1 1982. Separate regional boards are being formed with **Mr John Madocks** as chairman and **Mrs Jean Parker**, vice-chairman, east; and **Mr David Justham**, chairman, and **Sir David Perris**, vice-chairman, west. They are directors of Central Independent Television.

★

The ELLIOTT GROUP OF PETERBOROUGH has appointed **Mr John Briggs** and **Mr Carl Y. L. Chow** to the board.

Mr M. C. Mills is to join the board of WALKER, CRIPS, WEDDLE, BECK AND CO., stockbrokers, on July 27.

★

Mr Gordon Brunton, managing director and chief executive of the Thomson Organisation, has been appointed president of HISTORY OF ADVERTISING TRUST.

★

Mr David Burns has been appointed associate director at CHASE MANHATTAN LIMITED. Mr Burns continues to be responsible for new business development in Spain and Portugal.

★

Mr. William A. Robison has replaced **Mr Angus Mackenzie-Charrington** as managing director of INVER HOUSE DISTILLERS, the UK subsidiary of Publicker Industries Inc.

LONDON TRADED OPTIONS

July 24 Total Contracts 1,468. Calls 1,348, Puts 120

Option	Ex'rcise price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP (c)	280	44	—	54	2	62	—	312p
BP (c)	300	28	87	42	134	50	1	"
BP (c)	330	15	58	32	90	—	—	"
BP (c)	360	4	—	9	2	—	—	"
BP (p)	300	11	27	15	1	24	—	"
BP (p)	350	44	—	44	1	—	—	"
BP (p)	410	102	—	102	1	—	—	"
CU (c)	180	17	60	26	—	29	—	179p
CU (c)	200	10	9	14	28	22	—	"
Cons. Gld (c)	420	60	—	70	1	83	—	460p
Cons. Gld (c)	460	33	2	47	11	60	7	"
Cons. Gld (c)	500	16	2	30	—	—	—	"
Cons. Gld (c)	550	6	—	16	1	—	—	"
Court'lds (c)	70	4½	2	8½	61	10	6	64p
Court'lds (c)	80	1½	—	4	10	—	—	"
GEC (c)	700	60	2	82	—	103	—	730p
GEC (c)	750	28	—	52	3	70	—	"
Gr'd Met. (c)	160	43	1	—	—	—	—	200p
Gr'd Met. (c)	180	25	6	32	—	—	—	"
Gr'd Met. (c)	200	15	3	21	—	6	7	"
Gr'd Met. (c)	220	5½	95	11	36	14½	1	"
Gr'd Met. (p)	200	11	6	14	—	16	27	"
ICI (c)	240	27	35	—	—	—	—	258p
ICI (c)	260	17	27	30	1	38	1	"
ICI (c)	280	8	8	20	2	28	—	"
ICI (c)	300	5	5	12	—	—	—	"
ICI (c)	330	3	7	7	8	—	—	"
ICI (p)	260	18	1	20	—	24	7	"
ICI (p)	280	29	10	32	—	36	—	"
Land Sec. (c)	330	—	—	—	—	36	F 10	325p
Land Sec. (c)	336	16	2	22	—	—	—	"
Mks & Sp (c)	120	15	10	20	—	23	—	127p
Mks & Sp (c)	130	6	—	14	4	18	—	"
Shell (c)	330	56	1	64	—	—	—	380p
Shell (c)	360	32	13	44	35	56	—	"
Shell (c)	390	15	53	28	9	38	7	"
Shell (p)	330	6	—	12	10	—	—	"
		August		November		February		
Barclays (c)	420	30	4	55	1	57	—	445p
Barclays (c)	460	6	3	17	—	35	—	"
Imperial (c)	60	3	1	4½	—	6½	226	60p
Imperial (c)	70	⅜	—	2½	5	3	11	"
Lasmo (c)	550	62	3	80	2	114	—	592p
Lasmo (c)	600	22	9	55	1	82	2	"
Lasmo (c)	650	7	—	30	8	—	—	"
Lasmo (c)	700	5	12	18	1	—	—	"
Lonrho(c)	100	2	2	4½	—	7	12	92p
Lonrho(c)	90	3	—	5	2	7	—	"
Lonrho (p)	100	10	—	13	5	15	—	"
P & O (c)	130	2	—	5½	25	9½	—	122p
P & O (c)	140	⅝	—	3	1	6	—	"
Racal (c)	390	31	26	54	—	68	1	418p
Racal (c)	420	14	5	35	1	47	—	"
Racal (c)	460	4	—	15	1	27	—	"
Racal (p)	390	3	16	10	—	13	—	"
Racal (p)	420	13	4	20	2	25	—	"
RTZ (c)	500	35	—	60	—	80	2	528p
RTZ (c)	550	13	2	33	1	55	14	"

C=Call P=Put

SPAIN

July 24	Price %	+ or —
Banco Bilbao	344	
Banco Central	375	
Banco Exterior	370	
Banco Hispano	315	−3
Banco Ind. Cat.	121	
Banco Santander	390	
Banco Urquijo	226	−2
Banco Vizcaya	374	−3
Banco Zaragoza	243	−2
Dragados	207	−5
Espanola Zinc	62	
Fecsa	68	
Gal. Preciados	52	+2
Hidrola	76.2	−0.8
Iberduero	57.5	+0.8
Petroleos	121	−5
Petroliber	90	
Sogefisa	89	
Telefonica	77.5	−0.5
Union Elect.	74.7	

THE TRING HALL INDEX
121.1 (+1.4)
at close of business 24/7/81
BASE DATE 10.11.80 100
Tel: 01-248 5675

CORAL INDEX
Close 513-523 (+4)

WORLD STOCK MARKETS

Early 6.6 rally on Wall St.

FURTHER GAINS were scored on Wall Street yesterday on expectations that Money Supply figures due out after the close will be lower following two weeks of gains.

By 1 pm the Dow Jones Industrial Average was up 6.66 to 935.22, reducing its loss on the week to 23.68, while the NYSE All Common Index, at $74.50, rose 49 cents on the day to cut its loss on the week to $1.46. Advances led declines by a margin of two-to-one in a volume of 28.41m shares.

The Money Supply figures are expected ot be down about $1bn to $3bn following a $6.9bn rise in the aggregate last week.

Analysts said however that the rally has weak support and Institutional buyers are still holding back from the market.

Conoco continued to lead the active list at $85¼, off $1¾—Seagram, up $1 to $54¾, said it will continue its tender offer for the firm despite competing bids.

Mobil added $¼ at $30¼, while Du Pont were unchanged at $44½.

Other Energy stocks also gained ground in part due to speculation that they too might be takeover candidates. Texas International advanced $2¼ to $40½. Pennzoil $1¼ to $47¼ and Texas Oil and Gas $1½ to $36.

Tesoro rose $1⅜ to $20½ and El Paso $¾ to $25⅜.

Storage Technology improved $1⅜ to $30¾ in active trading, Datapoint $1½ to $53¼ and Cray Research $1½ to $34¼.

Memorex added $1½ at $9¼, despite reporting a larger second quarter loss.

THE AMERICAN SE Market Value Index gained 1.68 to 366.41 in a volume of 2.9m shares.

Canada

Stock prices were mixed at noon yesterday, when the Toronto Composite Index firmed 0.3 to 2,361.9.

The Metals and Minerals Index rose 8.7 to 2,403.3, Utilities 1.41 to 272.64, Banks 0.96 to 370.61 and Papers 0.76 to 251.46. But Golds lost 15.1 to 4,031.9 and Oil and Gas shed 3.3 to 5,096.9.

Active Noranda Mines were up $1 to $34½. Brascade Resources, newly formed joint venture of Brascan Ltd. and Caisse de Depot et Placement du Quebec, said it was seeking 39.2 per cent of Noranda.

Closing prices for North America were not available for this edition.

Australia

Early firmness failed to be maintained, although at the close there were more gains than on Thursday.

A highlight of the day was BHP's performance following the announcement of a record profit which was not up to earlier market expectations. The shares closed at A$13.55, down 35 cents, after A$13.40 ahead of the announcement and amid rumours that the group plans a one-for-15 Convertible Note issue to raise A$300m.

Other Industrials also suffered as BTR Hopkins shed 15 cents to A$3.65, Luke 10 cents to A$2.40 and Clyde Industries 7 cents to A$2.60.

Retailers were sold, with Buckley and Nunn down 10 cents to A$1.70.

In Minings and Oils, Peko Wallsend led the Mining slide with a 30 cents drop to A$6.70. Among other "Heavyweights," UCL slipped 10 cents to A$3.10 and Hamersley 15 cents to A$3.85, while Pancontinental rose 12 cents to A$5.70.

In Oils, Moonie fell 50 cents to A$10.50 seller.

Hong Kong

Stocks continued to fall on fears of higher local interest rates in the near future.

Dealers said the market remained nervous despite Financial Secretary John Bremridge saying earlier he would be surprised at another interest rate rise this week after the weekly meeting of the Hong Kong Association of Banks yesterday.

Singapore

Share prices extended their steep overnight decline across a broad front when investors became demoralised after an anticipated rebound failed to materialise.

The liquidity squeeze in Malaysia, depressed Commodity prices and a growing number of "short" sellers drove prices between 20 and 45 cents lower.

Tokyo

Prices rallied moderately on bargain-hunting in Blue Chips, but trading was slow with many operators worried about the uncertain yen trend on the Foreign Exchange Market. Turnover 230m (200m) shares.

Motors led the rally, while Steels, Machine Tools, Autopart and other Blue Chips were in demand. But Heavy Electric Machines, Oils and Trading Houses were sold.

Suzuki Motor gained Y24 to Y538 and Fuji Heavy Industries Y28 to Y528.

Kawasaki Steel rose Y5 to Y214, while Hitachi Seiki added Y14 to Y481 and Okuma Machinery Y10 at Y791.

"High-priced" Electricals, Precisions, non-Ferrous Metals and Drugs were mixed.

Germany

Share trading ended the week on a generally firmer note, although profit-taking pared some of the recent gains.

Volume was more limited, as Foreign buying was on a reduced level, but some shares made substantial gains.

Mannesman added DM 3 at 163.50 in anticipation of arrangement for the Soviet gas pipeline, which also helped AEG rise DM 1 to 41.50.

Commerzbank were up DM 1.60 at 142.80 after good first half results.

Trading in Public Authority Bonds was active, with gains of as much as DM 0.60. Dealers said the rally came on the heels of a firmer Bond market in New York, and the expectation that U.S. money supply figures will show the large rise reported last week to have been an exception.

The Bundesbank sold DM 34.1m of stock into the rise.

Mark Eurobond prices were also firmer, although volume was relatively small.

Paris

Share prices were firm in active trading on the first day of the Account.

Temporary suspensions because of limit gains were common for the second day running, including Esso, later trading Fr. 5.1 higher at 181, CFF, up 29 at 358, and Schneider, up 5.9 at 94.9.

Firm sectors included Banks and Insurances, Portfolios, Motors, Rubbers, Stores, Electricals and Oils, where Elf rose 25 to 840.

In the Foreign sector, Americans, Germans, Japanese, Oils, Gold Mines and Coppers were also firm.

Switzerland

Domestic share prices turned irregular in a thin market after Thursday's downtrend, with no significant factors in evidence.

First half-year results published by most major Banks were in line with earlier expectations and hardly affected trading.

Hermes Precise Bearer featured gains on good demand among otherwise quietly steady leading Industrials.

Domestic Bonds closed little changed while Foreign Bonds were irregular with selective interest being shown for prime borrowers.

The Dome Petroleum 7¼ per cent bond, traded for the first time, firmed to 102.25 per cent from an issue price of 100.25 per cent after it was oversubscribed.

Among Foreign shares, European Oils Norsk Hydro and Elf Aquitaine continued sharply higher in a very active market.

Dollar stocks traded above Thursday's New York closing levels. Germans and Dutch Internationals were mostly higher.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

SWEDEN

GERMANY

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

هكذا من الأصل

German bank improves performance

By Stewart Fleming in Frankfurt

COMMERZBANK, the third largest West German commercial bank, is still burdened by high domestic interest rates and relatively unprofitable lending.

The bank's first-half earnings rose to DM 140.4m ($57m) from DM 66.7m. But this excluded loan loss provisions, securities write-offs and pension costs, which were not given in the interim report.

These would appear to be heavy because the bank said in the report that it is striving to avoid reporting an overall loss for the year without dipping into hidden reserves.

Last year Commerzbank was amongst the hardest hit in a battered West German banking industry, and became the first major bank in the history of the Federal Republic to omit its annual dividend.

In common with many competitors, its profits suffered severely from rising West German interest rates which resulted in heavy securities write-offs and narrowing interest margins. The problem was most acute with fixed interest term loans which had to be refinanced with higher cost funds.

Conditions in the financial markets deteriorated in the first half. Interest rates rose by two to three percentage points, in some cases more. The bank has been able to undertake new lending at more profitable margins but the burden on its existing fixed interest portfolio has increased.

Its interest surplus has increased by 18.1 per cent to DM 544m ($222m) and its commission earnings by 8.5 per cent to DM 216.1m.

Buoyant energy results boost BHP's earnings

BY OUR SYDNEY CORRESPONDENT

BROKEN HILL PROPRIETARY, Australia's largest public company, achieved record sales and profits in the year ended May 30, although another poor return from steel production bit heavily into the strong gains in oil and gas.

Earnings calculated on the conventional basis rose by 22.4 per cent, from A$393.2m to A$486.4m (U.S.$567m) after tax and minorities. Profits, adjusted by BHP to take account of inflation, however, increased by 20.8 per cent from A$208.7m to A$258m (U.S.$295m). Sales were up 22 per cent to A$4.58bn (U.S.$5.2bn).

The inclusion for the first time of profits for the full year from John Lysaught (Australia), the steel manufacturer, enhanced the results. The company made an A$29.58m contribtuion to conventional profits and A$15.5m to profits after fixed asset adjustment (FAVA) to reflect inflation. With its contribution stripped out for both the latest year to May and the previous year, BHP's earnings rose by 17.7 per cent on a conventional basis and by 16 per cent on a FAVA adjusted measure.

Steel production again proved highly troublesome for the company. The division's profits climbed by 9.3 per cent, from A$96.6m to A$105.6m over the year, but the adjusted figures show the steel operations as producing a loss of A$39.58m for the year, compared with a loss of A$25.77m for 1980.

Oil and gas earnings again provided the basis for the net improvement. Increased crude oil revenue and record gas output contributed 26 per cent higher conventional earnings of A$277.3m for the year, or A$253.1m adjusted, which was 98 per cent of group earnings after deduction of the steel losses. Oil and gas provided a similar contribution in four of the last five years, the exception being 1979, when the steel division had a good year.

The problem for BHP is that the bulk of its total assets of A$6bn are in steel and the troubled division held back growth in historic profits, as a percentage of total funds, from 7.86 per cent to 8.1 per cent last year.

Total sales of steel over the year were A$2.3bn, with A$326m from exports.

TDK gains from video sales

BY YOKO SHIBATA IN TOKYO

TDK Electronics Company, the Japanese magnetic tapes manufacturer and supplier of electronic components, increased its consolidated net profits by 13.4 per cent in the six months to May 31, to a record Y11.91bn ($52m), from the first half of 1979-80. Sales were up 20.6 per cent to Y121.68bn ($530m), reflecting buoyant sales of video-cassette tapes.

The company's magnetic recording tapes including those for video recording, rose by 25.9 per cent, to account for 48.8 per cent of total turnover, compared with 46.8 per cent in the same period of the previous year. Sales of electronics components, including ferrite cored and magnetic coil components, memory devices and ceramic components rose by 15.9 per cent to take a share of 51.2 per cent of the turnover.

TDK's overseas sales rose by 12.4 per cent to account for 37.2 per cent of the total, compared with 39.9 per cent a year earlier. The decline in the ratio of overseas sales to total turnover was blamed on the rise in the yen in the foreign exchanges.

The relatively slow growth in net profits, compared with that of sales was attributed mainly to higher depreciation changes, of Y2.1bn, resulting from capital investment and exchange losses.

The company expects non-consolidated sales for the full year to grow by 20 per cent, and non-consolidated full year operating profit to rise 18 per cent.

Brazilian pasta deal for BSN

By Our Financial Staff

BSN-GERVAIS DANONE, the French foods and glass-making group, has acquired Terra Branca, Brazil's leading pasta producer. The deal was undertaken through BSN's Brazilian subsidiary, Laticinlos Pocos de Calda. Financial terms were not disclosed.

Terra Branca, which operates two factories employing some 400 persons in the state of Sao Paolo, had sales of about 800m cruzeiros ($8.6m) last year.

Krupp shipbuilding unit plans cut in workforce

BY OUR FRANKFURT STAFF

AG WESER, the loss-making shipbuilding subsidiary of the Krupp steel and engineering group, is to cut more than 300 jobs at its Bremen yard as part of a radical re-structuring.

The yard, which currently has a workforce of some 2,470, has reached union agreement on a new wage structure, which allowed the company's supervisory board, including workforce representatives, to approve the management survival plan.

Last year the company ran up losses of DM 72.4m ($29m), against capital and reserves of DM 65m and a loss of DM 64.6m in 1979. The losses have been absorbed by Krupp, which has an 86 per cent shareholding in Weser.

Although it has been forced to take on loss-making orders to maintain employment, Weser's fortunes appear to be improving.

World International lifts profits by 365%

By Kevin Rafferty in Hong Kong

WORLD INTERNATIONAL Holdings, the holding company for the majority of the interests of shipping billionaire Sir Yue-kong Pao, yesterday announced a 365 per cent increase in profits to HK$346.54m (US$62m), or 48.6 cents a share, in the year ended March 31.

The company plans to pay a final dividend of 8 cents plus a special non-recurrent dividend of 16 cents, and a one-for-five scrip issue of both ordinary shares and convertible preferred shares.

Both profits and dividends are higher than were forecast in the rights issue document of May 1980 when World Interantional took a 30 per cent interest in the Hongkong and Kowloon Wharf and Godown Company. Then the company forecast earnings per share of 20 cents and total recurrent dividends of 10 cents.

Earnings per share before extraordinary items of HK$120.6m were 30 cents in the year just ended, compared to 23.7 cents on an adjusted basis in the previous year. Total recurrent dividends for the year are 12 cents a share.

The structure of World International changed greatly during the 1980-81 years. The company acquired a 45 per cent holding in Wharf and also in effect the entire issued share capital of Eastern Asia Navigation Company.

The shareholders funds increased by 936 per cent from HK$441.4m to HK$4.57bn at the end of March. Non-shipping related investments, mainly property, now account for 66 per cent of World International's funds. Tangible assets increased by more than HK$7bn to HK$8.22bn. Consolidated group indebtedness was HK$3.7bn, 45 per cent of tangible assets, compared to the previous year's 62 per cent.

World International reported that strong earnings from the chartered shipping fleet were the main contributor to profits, but in future Wharf may be the pacesetter.

McDonnell Douglas warns of setback

BY LACHLAN DRUMMOND IN NEW YORK

McDONNELL DOUGLAS, the U.S. civil and military aircraft group, has reported net earnings 10.5 per cent higher for the second quarter to the end of June, but has warned of possible earnings declines as a result of the downturn in new orders for commercial aircraft.

Net profits for the quarter came out at $48.3m compared with $43.7m in the comparable 1980 period, on sales ahead from $1.62bn to $1.88bn. Of the total, 44 per cent related to commercial aircraft with the remainder taken up by military business.

The company said the increase in second quarter profits was mainly attributable to the military aircraft side, particularly the F-15 and F-18 jets.

On the commercial side, the company said that the economic problems and uncertainties faced by airlines were continuing to cause a slowdown in new orders for its airliners. For the first half of the current year, it had received only nine firm oders for its DC-9 and two for its DC-10 aircraft, compared with orders for 20 and six of these aircraft respectively in the corresponding 1980 half year.

"If the slowdown in new orders persists, substantial reduction in production rates will be required with consequent negative effects on future earnings."

Earlier this week Lockheed, another aerospace group, warned that it would have to revise its production schedules for 1983 for its TriStar wide-bodied jet because of the fall in orders, a move which could result in the company dropping the aircraft completely.

For the six months at McDonnell Douglas, sales were up from $3.04bn to $3.51bn and profits were slightly higher at $89.6m compared with $87.1m.

At the end of the quarter, firm order backlog was $9.1bn compared with $8.79bn previously, with 72 per cent of the firm commitments relating to Government military works.

Seagram will not extend expiry date of Conoco bid

BY OUR FINANCIAL STAFF

SEAGRAM, the Toronto-based distiller, said it will not terminate its $92-a-share offer for Conoco, the U.S. oil major, even if Du Pont or Mobil, the rival bidders, raise their offers.

Seagram has also dropped its stated commitment to extend the expiry date of its offer, which falls next Friday, should *a further bid for Conoco* emerge

Seagram emphasised that its offer for Conoco, unlike competpeting offers by Du Pont and Mobil, is not dependent upon the tender of any minimum number of shares to Seagram.

The withdrawal date under the Seagram offer remains midnight, New York time July 31, and Seagram has announced that it is prepared to begin purchasing and making payment for *Conoco shares as soon as practicable* following the expiration of the withdrawal period.

Sharp downturn at Shell Canada

BY ROBERT GIBBENS IN MONTREAL

SHELL CANADA'S earnings were lower in the first half and for the full year will trail behind 1980's, the company said. It attributed the lower first-half results and weak forecast to Alberta's cut in the province's oil production, lower product sales, higher production taxes and higher construction costs. Sulphur and chemicals remained bright spots.

Second quarter earnings were C$74m (US$62m) or 68 cents a share, against C$92m, or 87 cents, on revenues of C$1.1bn against C$949m. First-half profits were C$163m, or C$1.52, a share against C$181m, or C$1.71, on revenues of C$2.2bn against C$1.9bn. The company is the Canadian affiliate of Royal Dutch/Shell.

Cummins reports continued recovery

A FURTHER and substantial advance is recorded by Cummins Engine, which manufactures the diesel motors for the North American heavy truck industry. The second quarter of this year has brought a profit of $42.9m or $4.96 a share compared with a loss of $13.1m in the comparable period. Sales moved forward from $431.1m to $517.8m.

In fiscal 1980, Cummins which sells to manufacturing industry as well as to the heavy truck sector, and finds about one third of its sales on international markets, turned in a deficit of $11m or $1.31 a share as world markets fell back in the wake of the Iran crisis.

But Wall Street analysts have predicted a recovery this year to a profit exceeding $5.00 a share, and the first quarter brought in earnings of $3.95, with net total up by 13 times.

The board commented that the second quarter outcome had *been affected by currency fluctuations*, before which earnings for the current quarter would have stood at $36.5m. The year ago period would have shown income on a similar basis of $2.1m, added the board.

Higher demand for both engine and service parts are expected to boost profits this year, and other helpful factors will be an expense reduction programme and a 6 per cent boost for U.S. prices in March 1981.

Hochtief sees flat turnover

By Our Financial Staff

HOCHTIEF, the West German construction group, expects to emerge from 1981 with maintained sales and a satisfactory profit and looks to 1982 for a continued steady performance.

Despite the general recession in the building trade, Hochtief's order books at the end of June stood at DM 5.3bn ($2.2bn), which is more or less where they stood 12 months earlier.

Demand from Middle East countries expanding their infrastructures was beginning to tail-off, the company said.

For 1981 foreign construction revenues were expected to exceed DM 3.9bn. The group returned net profits of DM 121.6m in 1980.

COMMODITIES/REVIEW OF THE WEEK

Brazil frost sends coffee soaring

BY OUR COMMODITIES STAFF

FROST REARED its ugly head in the Brazilian coffee plantations again this week producing the usual dramatic market response. Estimates of the damage done by sub-zero temperatures on Tuesday morning vary greatly with sensible guesses ranging up to 20 per cent of the 1982-83 crop being lost. This year's crop is mostly harvested and damage is thought to have been negligible.

Reports emanating from Rio de Janeiro yesterday suggested 35-50 per cent of the 1982-83 crop might have been destroyed. They encouraged some speculative buying but most traders thought they were greatly exaggerated.

The frost news resulted in a near £300 rise in the September position on the London futures market on Tuesday and by the end of the week September coffee had risen £374.50 to £1,117.50 a tonne.

The market reaction tended to be held back somewhat by awareness of the very comfortable supply situation ruling at present. This has depressed prices to levels which have triggered cuts totalling 5.6m bags (60 kilos each) in the world export quota set by the International Coffee Organisation. Price rises resulting from the frost could lead to some, if not all, of this being reinstated.

The cold Brazilian weather was also reported to have damaged the sugar cane crop. But traders in London were sceptical and this had little effect on prices. The London daily sugar price ended the week £6.00 up at £225 a tonne.

At this week's EEC sugar export tender in Brussels export licences were granted covering 99,600 tonnes out of the estimated 150,000 remaining for export in the current campaign, which ends next month.

Cocoa values rose this week with the September position ending £64 higher at £1,135.50 a tonne. A permissible daily limit rise of £40 a tonne was registered at one time yesterday encouraged by improved hopes that the International Cocoa Agreement might come into full operation and news that UK second quarter 1981 cocoa bean grindings were 35.4 per cent up from the same quarter last year.

But the rise was not sustained and September cocoa finished only £33 up on the day.

Earlier publication of a new market report by influential London merchants Gill and Duffus tended to discourage any bullish sentiment. The report raised the estimate of the 1980-1981 crop surplus to 75,000 tonnes from 70,000 previously and forecast a further surplus in the coming season.

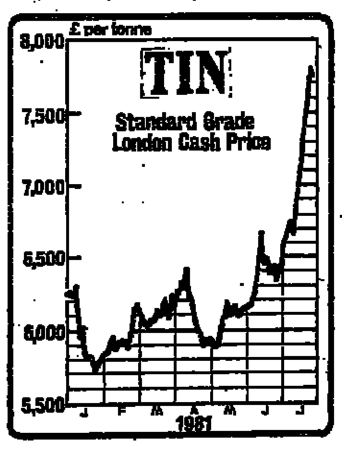
It did say, however, that prices could rise significantly if the International Cocoa Agreement comes into full force. This depends though on the Ivory Coast changing its mind and signing the pact, which seems unlikely.

The base metal markets were dominated by a strong rise in tin encouraged by persistent buying from a single source. This encouraged general speculative buying which left cash at £695 up on the week at £7,755 a tonne, despite a £40 fall yesterday. Dealers said the influential buyer was active again yesterday morning.

Lead also performed strongly despite nervousness over the outcome of talks aimed at ending mine dispute in the U.S. and Ireland. Cash metal ended £11 up at £439.5 a tonne.

Copper was relatively quiet despite being boosted in the week by the spread of wildcat strikes at Zambian mines. Cash wirebars closed at £911.50 a tonne yesterday, up £2 on the week.

Zinc, which reached a seven-year peak last week, was the only leading base metal to lose ground. Cash metal lost £9 on balance to £462.50 a tonne.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£780/70
Free Market c.i.f.	$1180/1210	+30.00	£1,770/1,790	$1500/1530	$1155/165
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MARKET REPORTS

BASE METALS

Tin rose to £7,800 in initial trading on the London Metal Exchange, but eased back on profit-taking to close the late Kerb at £7,655; cash metal showed a £695 rise over the week. A marginal rise in the U.S. lifted Copper to £937, while Lead moved up to close at £440 and Zinc at £474.5. Aluminium was finally £863.75 and Nickel £3,315.

Copper—Amalgamated Metal Trading reported that in the morning three months wirebars traded at £936, 35, 35.5, 35, 34, 34.5, 34, 53.5, 34, 34.5, 35. Cathodes, three months £926.5. Kerb: Wirebars, three months £934, 34.5. Afternoon: Wirebars, three months £934, 34.5, 35, 37, 36.5, 37. Kerb: Wirebars, three months £937, 36.5, 37, 37.5, 37. Turnover: 25,400 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	906.5-9.5	+7.25	911-2	+8.75
3 months	934.5-5.5	+7.25	957-.5	+7.5
Settlem't	909.5	+7.5		.....
Cathodes				
Cash	904-5	+6.25	906-7	+7.5
3 months	926-.5	+5.75	928-.5	+7.25
Settlem't	905	+7	—	.....
U.S. Prod	—		*80-5	.....

Tin—Morning: Standard, cash £7,800, three months £7,800, 7,790, 70, 60, 50, 45. Kerb: Standard, three months £7,730, 25, 30. Afternoon: Standard, three months £7,720, 25, 20, 7,700, 7,695, 90, 80, 70. Kerb: Standard, three months £7,670, 60, 65, 75, 70, 65, 70, 60. Turnover: 1,080 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7790-800	+122	7740-70	—40
3 months	7740-5	+90	7670-90	—12.5
Settlem't	7780-800	+125	—	.....
Standard				
Cash	7790-800	+122	7740-70	—40
3 months	7740-5	+90	7670-90	—12.5
Settlem't	7800	+122	—	.....
Straits E.	$533.06	+0.95		.....
New York	—	.....		

Lead—Morning: Cash £440.5, three months £445, 44.5, 42, 41.5, 41. Kerb: Three months £440.5, 40, 38, 37, 36, 37, 37.5, 38. Afternoon: Cash £439, 39.5, three months £439, 37, 36, 35, 37, 38, 39, 39.5. Kerb: Three months £438, 39, 39.5, 39.75, 39.5, 40. Turnover: 10,650 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3310-20	+10	3300 5	—2.5
3 months	3325-5	+18	3310-5	+10.5

† On previous unofficial close.
* Cents per pound. ‡ M$ per kilo.

SILVER

[illegible]

RUBBER

[illegible]

COCOA

[illegible]

SOYABEAN MEAL

[illegible]

COFFEE

[illegible]

SUGAR

[illegible]

GAS OIL FUTURES

[illegible]

GRAINS

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterday close	+ or —
Sep...	104.65	+0.60	97.35	+0.05
Nov...	108.50	+0.60	101.50	....
Jan...	112.70	+0.50	105.45	....
Mar...	116.60	+0.40	109.20	+0.05
May.	119.95	+0.40	112.55	+0.55

[illegible]

WOOL FUTURES

[illegible]

AMERICAN MARKETS

NEW YORK, July 24.

COFFEE and sugar markets were higher in anticipation of another frost this weekend in Brazil. The livestock complex was mostly higher on improved product demand. Cotton was trading marginally higher on improved export inquiries. [illegible]

CHICAGO, July 24.

Lard—Chicago loose 23.00

Copper—July 76.65 (76.20), Aug 76.70 (76.55), Sept 78.05-78.30, Dec 81.90-82.05, Jan 83.10, March 85.70, May 87.70, July 89.90, Sept 92.10, Dec 95.35, Jan 96.50, March 98.70, May 100.85.

[illegible]

Thursday's closing prices

[illegible]

INDICES

FINANCIAL TIMES

[illegible]

MOODY'S

[illegible]

REUTERS

[illegible]

DOW JONES

[illegible]

POTATOES

[illegible]

COTTON

[illegible]

MEAT/VEGETABLES

[illegible]

Stock Exchange dealings

The list below, restricted mainly to equities and convertible stocks, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. ⊕ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $My—$Malayan; $Mx—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (571)

BREWERIES (321)

COMMERCIAL (7,593)

A—B

C—D

Forward Technology Indus. 80 1
Foseco Minsep 233 4 5. 8¼pc2ndPf 149. 10pcUnscd.Ln. 128
Foster Bros Clothing 76 8 80
Foster (John) Son 25½⊕
Fothergill Harvey 140
Francis Indus. 73 4 5 (22/7)
Francis Parker (10p) 19
Freemans (London SW9) 106 8
French Kier Hldgs. 82½ 3 ½
Friedland Doggart Gp. 98

G—H

GEI Internd. (20p) 78 9
GEI Intl. 10pcPtly.Unsecd.Ln. 87
Galliford Brindley (5p) 84
Garford-Lilley Inds. (5p) 24
Garnar Booth 81
Garton Eng'g (10p) 38 (22/7). 8½pc Unsecd.Ln. 53 (21/7)
Gartons (10p) 12½ 3 (21/7)

Hollis Bros. and E.S.A. 28 9
Holt Lloyd Intl. (10p) 65 7
Home Charm (10p) 115
Home Counties Newspapers 75 (22/7)
Home Farm Products (10p) 77 (20/7)
Homfray and Co. 11½
Honda Motor (Y50) 250 ½ (21/7)
Hoover 127. A 120 3 4 5‡ 7
Hopkinsons Hldgs. (50p) 92 3 4
Horizon Travel 237 9 40 1. New Ord. (25p) 243 6 (22/7)
Hosking and Horton (20p) 600
House of Fraser 166 7 8 9 70
House of Lerose 91
Hoveringham Group Rst. 73½
Howard and Wyndham (20p) 3½. A Ord. (20p) 3½. 9pcCnv. 81½ (17/7)
Howard Machinery 23½ 4 ½ 5‡
Howard Shuttering (Hldgs.) (10p) 34½ (20/7)
Howard Tenens Services 65 ¼ 6‡
Howden Group 147½ 8 9
Hudson's Bay Co. 11¾ 2⅛

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

FINANCIAL TRUSTS (367)

INSURANCE (498)

INVESTMENT TRUSTS (392)

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
July 20	July 31	Oct 22	Nov 2
Aug 3	Aug 14	Nov 5	Nov 16
Aug 17	Aug 28	Nov 19	Nov 30

For rate indications see end of Share Information Service

Money was given for the call in Howard Machinery, Town and City Properties, J. Hepworth, Dufay Bitumastic, Premier Oil, Comben, Intervision, Keith Collins Petroleum, Hawley Leisure, Turner and Newall, Audiotronic, Bula, F. H. Lloyd, Tubes, Ernest Jones, Rothmans International, Howard Tenens, Moben and Weir. A put was done in Sime Darby, while doubles were completed in Shell and BP.

TV RATINGS w/e July 19

UK TOP TWENTY (viewers m)

1	C. Street (Wed)	(Gra)	15.10
2	C. Street (Mon)	(Gra)	14.75
3	Tales Of The Unexpected	(Ang)	13.45
4	Crossroads (Tue)	(ATV)	12.55
5	The Video Entertainers	(Gra)	12.40
6	Crossroads (Wed)	(ATV)	12.35
7	Misfits	(YTV)	12.05
8	Sorry I'm A Stranger Here Myself	(Tha)	11.85
9	Where There's Life ...	(YTV)	11.70
10	Quincy	(ITV)	11.60
11	The Krypton Factor ...	(Gra)	11.55
11	Bless Me Father	(LWT)	11.55
13	Nine O'Clock News (Thur.)	(BBC)	11.50
14	Rings On Their Fingers	(BBC)	11.20
14	Winner Takes All	(YTV)	11.20
16	The Paradise Connection	(ITV)	10.90
17	Shoestring	(BBC)	10.85
18	Seagull Island	(ATV)	10.60
19	Singles	(YTV)	10.55
20	Have I Got You Where You Want Me?	(Gra)	10.50

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research JICTAR.

(U.S. TOP TEN (Nielsen ratings)

1	Jeffersons	(CBS)	22.8
2	Trapper John MD	(CBS)	21.1
3	Alice	(CBS)	20.8
4	Hart To Hart	(ABC)	20.2
4	60 Minutes	(CBS)	20.2
6	Too Close For Comfort	(ABC)	19.2
7	Three's Company	(ABC)	18.5
7	Facts Of Life	(NBC)	18.5
9	M.A.S.H.	(CBS)	17.6
10	Diff'rent Strokes	(NBC)	17.5

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p‡	+ or −	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
153	F.P.	—	172	155	✠Aerospace Eng.	155	......	bd7.5	1.4	6.9	14.4
§35	F.P.	22/7	37	28	Allied Residential 10p	29	−1	b2.45	2.0	12.1	6.0
—	F.P.	—	140	132	Bonusbond	132	......	—	—	—	—
Ir£8.50	F.P.	19/6	40	26	✠Bula Resources	37	+2	—	—	—	—
75	F.P.	17/7	91	79	Cambridge Elec.	85	......	b3.7	2.2	6.2	8.6
—	F.P.	—	14	10	Comtech 10p	11	......	—	—	—	—
‖ ‖	F.P.	—	25	18½	††Energy Sources	20	+1	—	—	—	—
—	F.P.	—	7	6	††Explaura Gold	6½	......	—	—	—	—
140	F.P.	—	138	130	Hamilton OilG.B.	137	−1	u1.0	18.4	1.0	7.4
—	F.P.	—	7	6	Hartons 5p	7	......	—	—	—	—
§10	F.P.	—	22	17	✠ICC Oil services	19	......	—	—	—	28.0
72	F.P.	26/8	70	58	✠Jackson Explorat'n	70	+2	Q1.5c	—	1.1	—
95	F.P.	7/8	85	69	KCA Drilling	77	......	b3.75	1.7	7.0	9.9
140	F.P.	7/8	213	194	Memec 10p	212	−1	b30	2.3	2.0	30.4
§12	F.P.	—	640	480	Mexico Fund	480	......	—	—	—	—
§51	F.P.	20/7	69	61	✠Microfilm Repro.	62	......	b2.5	1.4	5.8	17.9
100	F.P.	24/7	107	97	Murray Technology	97	......	—	—	—	—
§44	F.P.	30/6	58	40	✠Selectv	40	......	—	—	—	—
§83	F.P.	17/7	90	70	✠Stanelco	75	+5	—	—	—	25.0
§155	F.P.	3/8	205	190	✠Star Computer	200	......	2.0	4.3	1.4	20.8
§90	F.P.	31/7	100	92	✠Trident Comp.Serv.	100	......	bd1.5	4.0	2.1	16.8
§80	F.P.	14/7	91	85	✠United CeramicDist	87	......	b4.2	1.9	6.8	10.1
100	F.P.	15/7	104	95	Utd. Comp. & Techgy	95	......	—	—	—	—
§88	F.P.	31/7	98	89	✠Zygal Dynamics	95	......	u0.75	6.5	1.1	14.9

FIXED INTEREST STOCKS

Issue price £	Amount Paid Up	Latest Renunc Date	1981 High	1981 Low	Stock	Closing Price £	+ or −
—	F.P.	6/7	110	103	Aitken Hume 10% Cnv. Uns. Ln. 1990/91	103½	......
100‖	Nil	—	15ppm	1ppm	Chloride 7½% Conv. Prf.	½ppm	+½
*	£10	—	10	10	East Surrey Water 10% Prf. 1986	10	......
98½	£25	12/11	25¾	24½	Inco 15¾% Uns. Ln. 2006	25	......
100‖	Nil	—	14pm	10½pm	Jones (Edward) 15% Cnv. Uns. Ln. '95-98	14pm	+5
¶97	£10	3/9	10	8	Mid-Kent Water 9% Red. Prf. 1987	8	......
¶100	F.P.	28/8	98½	96	Mid-Southern Wat. 9% Red. Pref. '86	96	......
‖	F.P.	17/7	104¼	98	Mount Charlotte 9½% Cnv. Ln. 1995-2000	98	......
99	F.P.	27/8	99	90½	Newcastle Water 7¾% Red. Pref. 1986	90½	......
100‖	F.P.	23/7	109	101	Prop. Hldg. & Inv. Tst. 8⅛% Cnv. Ln.	101	−1
**	F.P.	—	97½p	90p	Sterling Credit 3.5% Cnv. Red. Pr.f.	90p	......
¶98	F.P.	28/8	92½	79½	Sunderland & S.S. Water 8% Red. Prf. '87	90½	......
100p‖	Nil	—	½ppm	½ppm	'W' Ribbons 10% Cum. Red. Prf. '95-96.	½ppm	......

"RIGHTS" OFFERS

Issue Price p‡	Am'unt paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1981 High	1981 Low	Stock	Closing price p‡	+ or −
190	F.P.	6/7	4/9	260	222	AGB	260	+14
22	Nil	31/7	11/9	2pm	1pm	A.I.D.	1pm	......
45	F.P.	23/7	28/8	54	49	Brengreen	53½	+4½
275	125p	13/7	2/12	171	130	B.P.	160	+2
165	F.P.	3/7	7/8	191	177	Crouch (D)	177	......
375	F.P.	10/7	73/8	410½	397	English Association	400	......
50	F.P.	6/7	7/8	87	76	Euro Ferries	82	......
176	Nil	—	—	28pm	24½pm	Extel	28pm	......
55	F.P.	12/6	11/8	68	63½	Fine Art	65	......
255	F.P.	13/7	10/8	380	339	Flight Refuelling	363	......
240	Nil	—	—	165pm	140pm	††Gaelic Oil	150pm	......
90	F.P.	10/7	21/8	132	121½	Geers Gross	124	......
—	Nil	—	—	2pm	1pm	Hartons	2pm	......
HK$12	HK$6	—	—	109	66	Hong Kong & Shanghai Bk.	100	......
315	F.P.	26/6	7/8	343	324	Lyle Shipping	324	......
77	Nil	—	—	15pm	8pm	Moss Engineering	8pm	......
60	F.P.	9/7	12/8	73	65	Old Swan Hotel (H'gate)	65	......
6	P.P.	6/5	21/9	11½	6½	Sterling Credit	8½	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip.

هكذا من الأصل

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
BAT Inds.	365	+18	Dunlop	77	—
Berkeley Hambro	285	+13	Geevor Tin	138	+13
Brown (J.)	90	+7	Henson Trust	272	+6
Central Pac. Mins.	78	+8	Inchcape	365	−15
Chubb	100	+9	Letraset	120	+4
Clifford's Dairies "A"	126	+16	London United	220	+12

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in the SE Official List

Stock	No. of price changes	Thursday's closing price pence	Day's change	Stock	No. of price changes	Thursday's closing price pence	Day's change
Premier Cons.	25	83	+6	Plessey	17	348	+11
BP	21	310	+8	Tozer Kemsley	17	71	+4
Ultramar	21	500	+10	KCA Intl.	16	158	+7
Burmah Oil	20	125	+7	GEC	15	733	+8
Dowty	18	245	−11	Law Land	15	123	−6
Letraset	17	116	+1	MFI	15	82	+2
LASMO	17	595	+20	RTZ	15	527	+2

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of price changes	Thursday's closing price pence	Change on week	Stock	No. of price changes	Thursday's closing price pence	Change on week
BP	79	310	+10	Dowty	67	245	−42
GEC	75	733	+3	Lloyds Bank	66	402	+2
LASMO	73	595	+50	Law Land	63	123	+4
RTZ	73	527	+2	Barclays Bank	62	442	−3
ICI	72	260	−10	Thorn EMI	62	445	+22
Ultramar	69	500	+35	BAT Inds.	61	347	−3
Comm. Union	68	160	−2	Shell Transport	61	382	+2

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

* Denotes Irish currency.

Adnams B 950 (17/7)
Alliance Tst. Co. 4pcAPf. £22pc (22/7)
Aston Villa FC (1 vote) £10½
Baker Electronics 41
Bell 35 (20/7)
Blyth Greene Jourdain 212½ 3 ¼ (22/7)
Boyd (J.G.) 100*
Brint Invs. 390
Buenos Ayres Lacrose Tramways 3pcCns. Db. £4pc
Caledonian Offshore 180 (21/7)

RULE 163 (3)

American Oil Field Systems 90
Aran Energy (IrE0.20) 53 ½ 5½ 6 7
Atlantic Resources (IrE0.25) 215 8 20 2 3 5 8 30 3 5 8 40 2 5 7 50 2
Berkeley Exploration and Production 390 2 5 7 8
Candecca Resources 204½ 7 8 9 10 1 2 3
Eglington Oil and Gas (IrE0.20) 105
Explaura Gold 7
Kenmare Oil Exploration (IrE0.25) 28
Kenmare Oil Exploration New (IrE0.25) (Nil Paid) 4
Marinex Petroleum 147 8 50 2 4
Steana Romana (British) 67 ½
Sun Oil (UK) Oil Royalty (1p) 300 5 9

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (*telephone number in parentheses*)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Basildon (0268 22881)	13⅞	½-year	5,000	6-10
Knowsley (051-548 6555)	12¾	½-year	1,000	1-3

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.20	9.45	—	—
Alliance	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia	8.25	8.50	9.75	10.50 5 yrs., 9.50 1 mth. not. int. loss
Bradford and Bingley	8.25	8.50	9.75	9.25 1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50 5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	9.50	9.75	9.25 3 months' shares. Escalator shares 9.00-10.50 (1-5 years)
Britannia	8.25	8.50	9.75	10.00 5 yrs., 9.50 3 *months' notice*
Burnley	8.25	8.50	9.75	10.50 5 yrs., 9.50 3 months' notice
Cardiff	8.25	9.50	10.50	—
Catholic	8.25	8.75	9.75	— 8.95 over £5,000
Chelsea	8.25	8.50	9.75	10.50 5 yrs., 9.90 1 yr., *9.50 3 months*
Cheltenham and Gloucester	8.25	8.50	9.75	—
Citizens Regency	—	8.75	10.00	10.75 5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.60	9.41 9 mth. withdraw., increment sh.
Coventry Economic	8.25	8.50	9.75	10.00 4 yrs., 9.50 3 yrs., 9.25 3 mths.
Coventry Provident	8.25	8.50	10.50	10.55 av. 5 yr., 10.00 4 yr., 9.25 3 mths.
Derbyshire	8.25	8.50	9.75	8.75 to 9.25 3 months
Ealing and Acton	8.25	9.00	—	9.65 2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Gateway	—	9.50	—	— Plus a/c £500 min. Int. ½-yearly
Greenwich	—	8.75	10.00	9.50 2 yrs., 9.75 3, 10.25 4, 10.75-5 yrs.
Guardian	8.25	8.75	—	10.00 3 mth., 10.50 6 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	— 3 mths. notice 9.25, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00 4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25 6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	8.25	8.75	10.50	10.75 5 yrs., 10.50 6 mths.
Leamington Spa	8.35	8.60	11.50	10.10 (1 year)
Leeds Permanent	8.35	8.50	9.75	9.25 E. I. a/c £500 min., 9.50 £5,000+
Leicester	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	9.55 5 yrs. 1 month interest penalty
London Grosvenor	8.25	9.00	11.00	9.50 6 months' notice
Melton Mowbray	8.35	8.60	9.75	10.10 4 yrs. 8.85 (up to £1,000) 3 mths. not. 9.60 (over £1,000) 3 mths.
Mornington	9.10	9.60	—	—
National Counties	8.50	8.80	9.80	9.50 35 days' notice, Min. dep. £500 6 month 9.90
Nationwide	8.25	8.50	9.75	10.50 5 yrs., 9.50 1 month's notice
Newcastle	8.25	8.50	9.75	10.50 4 yrs., 9.25 2 months' notice
New Cross	9.00	9.25	—	9.25-10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	8.25	8.50	10.00	9.50 3 yrs., 9.25 2 yrs., min. £500
Paddington	8.00	9.00	10.50	10.00 *Loss 1 mth. int. on sums wdn.*
Portman	8.25	8.50	9.75	10.50 5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85 (5 yrs.), 10.25 (6 months)
Property Owners	8.50	9.00	10.50	10.50 4 yrs., 10.50 6 mths., 9.80 3 mths.
Provincial	8.25	8.50	9.75	10.00 3 yrs.
Skipton	8.25	8.50	9.75	10.50 5 yr., 9.6-9.75 28 dys. int. on wdl.
Sussex County	8.50	8.75	10.55	11.00-9.50 (6-2 yrs.), 9.25 2 mths. not.
Sussex Mutual	8.50	9.10	10.50	9.25-10.50 all with special options
Town and Country	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., *9.50 3 yrs.*
Walthamstow	8.25	8.75	9.75	9.75 6 months' notice, min. £1,000
Wessex	8.50	9.60	—	—
Woolwich	8.25	8.50	9.75	10.50 5 yrs., 8.75 6 mths. 3 months' notice account 9.50

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

MONEY MARKETS

Bank of England Minimum Lending Rate 12 per cent (since March 10, 1981)

The average rate on this week's offering of 91-day *Treasury bills rose by 0.2874 per* cent at yesterday's tender to 13.7577 per cent and the minimum accepted bid fell to £96.57 from £96.64. Bids at that level were *met* as to about 92 per cent and above in full. The £200m of bills on offer attracted bids of £255.17m and all bills offered were allotted. Next week a further £200m of bills *will* be on offer, replacing maturities of £100m.

The additional £800m of bills on offer were allotted at a top rate of 13.96875 per cent as to about 81 per cent with applications between 13.625 per cent and 13.96875 per cent being allotted *in full. There was no average* rate for unlike 91-day bills, which run for 91 days, the extra £800m will be taken up on different days but will all mature *on September 1. The result of* the tender was much in line with market expectations and interest rates showed little overall change as the market remained extremely nervous. Next week the bank will issue a further £250m of bills maturing on September 1.

There was a shortage of day-to-day funds caused by the unwinding of a previous sale and repurchase agreement involving an extremely large amount of bills and a moderate rise in the note circulation. This was only partly offset by a very large excess of Government disbursements over revenue transfers to the Exchequer. Consequently the authorities gave assistance on a large scale. This comprised outright purchase of a small amount of local authority bills and a moderate amount of eligible bank bills from discount houses in the morning at 12⅞ per cent. There was further help in *the afternoon when the Bank* arranged a sale and repurchase agreement on a small number of bills at 12⅜-12½ per cent. Total assistance was termed as large. *Discount houses* were paying as much as 12½ per cent for secured call loans during the day.

EXCHANGES AND BULLION

Trading was quiet *in* currency markets yesterday ahead of the weekend and the announcement of this week's U.S. money supply figures, due after the close of business in London. The dollar finished slightly down from Thursday's closing levels with Euro-dollar rates showing small losses in the three- and six-month periods. There may also have been some reaction to comments by Mr Donald Regan, U.S. Treasury Secretary, that U.S. interest rates would fall later this year although this had already been mentioned to the market. Against the D-Mark the dollar closed at DM 2.4375 compared with DM 2.4455 on Thursday and SwFr 2.1045 *from* SwFr 2.1060 in terms of the Swiss franc. It was also down against the Japanese yen at Y234.5 against Y234.75 and fell to FFr 5.8050 *against the French franc from FFr 5.8110.*

On Bank of England figures the dollar's trade weighted index was unchanged at 111.5. Sterling was slightly firmer overall. Its trade weighted *index finished* at 92.0 from 91.8, having stood at 91.6 at noon and 91.7 in the morning. Against the dollar the pound opened at $1.8575 and eased to $1.8500 *before coming* back to $1.8525 at noon. During the afternoon it touched a best level of $1.8675 but finished off the top at $1.8635-1.8645, a rise of 85 points *from* Thursday's close. Against the D-Mark it rose to DM 4.5450 from DM 4.5400 and FFr 10.8175 compared with FFr 10.7850. It was also *higher at SwFr 3.9250 against* the Swiss franc compared with SwFr 3.91.

Gold rose just $1 an ounce in the London bullion market to *$407½-409½ in very quiet trading.*

GOLD

	July 24		July 23	
Gold Bullion (fine ounce)				
Close	$407½-409½	(£218-219)	$406½-408½	(£219-220)
Opening	$406-408	(£218¼-219¼)	$408-410	(£218-219)
Morning fixing	$407.50	(£219.795)	$410.50	(£219.871)
Afternoon fixing	$407.50	(£218.851)	$407.75	(£219.657)
Gold Coins				
Krugerrand	$421-422	(£226-226½)	$420-421	(£226½-227)
1/2 Krugerrand	$216¾-217¾	(£116¼-116¾)	222-223	(£119¾-120¼)
1/4 Krugerrand	$110½-111½	(£59¼-59¾)	$110-111	(£59¼-59¾)
1/10 Krugerrand	$45-46	(£24-24½)	$45-46	(£24¼-24¾)
Mapleleaf	$418-421	(£224¼-226)	$417-418	(£224¾-225¼)
New Sovereigns	$102-102¾	(£54¾-55¼)	$102½-103½	(£55¼-55¾)
King Sovereigns	$114-116	(£60½-61½)	$114¾-116¾	(£61¼-62¼)
Victoria Sovs	$114-116	(£60½-61½)	$114¾-116¾	(£61¼-62¼)
French 20s	$107-113	(£57½-60½)	$107-113	(£57¾-61)
50 pesos Mexico	$507-511	(£272-274¼)	$507-511	(£273¼-275½)
100 Cor. Austria	$394-398	(£211½-213½)	$394-398	(£212¼-214½)
$20 Eagles	$547-552	(£293½-296¼)	$545-550	(£293¾-296½)

THE POUND SPOT AND FORWARD

July 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8500-1.8675	1.8635-1.8645	0.95-1.05c dis	−6.44	2.03-2.13dis	−4.46
Canada	2.2540-2.2710	2.2690-2.2700	1.30-1.40c dis	−7.14	3.10-3.30dis	−5.64
Nethlnd.	5.03-5.07½	5.06¾-5.07¾	¼-¼c pm	1.18	2⅛-1⅞ pm	1.48
Belgium	74.05-74.60	74.40-74.50	37-47c dis	−6.77	87-97 dis	−4.94
Denmark	14.18-14.28	14.26½-14.27½	5¼-6¼ore dis	−4.83	13½-15 dis	−3.99
Ireland	1.2405-1.2500	1.2485-1.2495	0.07-0.20p dis	−1.30	0.45-0.67dis	−1.79
W. Ger.	4.52-4.55½	4.54-4.55	1-½pf pm	1.98	2¼-1¾ pm	1.76
Portugal	120.30-122.00	121.80-122.00	65-90c dis	−7.63	135-285 dis	−6.89
Spain	181.70-183.00	182.80-183.00	35-165c dis	−6.58	170-210 dis	−4.15
Italy	2,248-2,268	2,264-2,266	38-41 lire dis	−21.19	100-103 dis	−17.92
Norway	11.33-11.43	11.41-11.42	1½-¼ore pm	0.92	3¼-2 pm	0.92
France	10.78-10.83	10.81¼-10.82¼	7-8c dis	−8.32	19-20 dis	−7.21
Sweden	9.62-9.70	9.68½-9.69½	1-1½ore dis	−1.70	1-2 dis	−0.62
Japan	432-440	436½-437½	2.90-2.50y pm	7.41	8.20-7.80 pm	7.32
Austria	31.77-32.07	32.00-32.05	5gro pm-par	0.94	15-5 pm	1.25
Switz.	3.90-3.93½	3.92-3.93	1¾-1¼c pm	4.58	4¾-4½ pm	4.58

Belgian rate is for convertible francs. Financial franc 78.85-78.95. Six-month forward dollar 3.65-3.75c dis, 12-month 5.05-5.25c dis.

EXCHANGE CROSS RATES

July 24	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.864	4.545	437.0	10.818	3.925	5.068	2265.	2.270	74.45
U.S. Dollar	0.536	1.	2.438	234.4	5.803	2.106	2.719	1215.	1.218	39.94
Deutschemark	0.220	0.410	1.	96.15	2.380	0.864	1.115	498.3	0.499	16.38
Japanese Yen 1,000	2.288	4.265	10.40	1000.	24.75	8.982	11.60	5183.	5.193	170.4
French Franc 10	0.924	1.723	4.202	404.0	10.	3.628	4.685	2094.	2.098	68.82
Swiss Franc	0.255	0.475	1.158	111.3	2.756	1.	1.291	577.1	0.578	18.97
Dutch Guilder	0.197	0.368	0.897	86.24	2.135	0.775	1	447.0	0.448	14.69
Italian Lira 1,000	0.442	0.823	2.007	192.9	4.776	1.733	2.237	1000.	1.002	32.87
Canadian Dollar	0.441	0.821	2.003	192.6	4.766	1.729	2.233	998.0	1.	32.80
Belgian Franc 100	1.343	2.504	6.105	587.0	14.53	5.272	6.807	3042.	3.048	100

EURO-CURRENCY INTEREST RATES (Market closing Rates)

July 24	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12¾-13	19-19¼	20-22	14⅜-13⅝	½-1	11¼-11½	18-19	30-50	24-26	5¾-6¼
7 days' notice	13¼-13½	19⅛-19⅜	20-22	13-13½	18-18½	11⅝-11⅞	20½-21½	32-41	20-22	6½-6¾
Month	14⅛-14⅝	19⅞-20⅛	20-20⅜	13⅛-13⅜	9-9½	12⅛-12¼	21¾-22	33¼-35¾	21½-22	6⅞-7⅛
Three months	14⅞-14⅞	18⅞-19⅛	19⅞-20¼	13⅝-13⅝	9⅛-9⅜	12⅝-12⅞	21¾-22	30¾-32¼	20-20½	7¼-7½
Six months	14⅛-14⅝	18⅝-18⅞	19⅝-20	13⅛-13⅜	10-10⅛	12⅝-12¾	21¼-21½	29¾-31¼	19¼-19¾	7⅞-7⅞
One Year	14⅜-14½	17½-17¾	18⅜-18¾	12⅞-12⅞	9¼-9⅜	12½-12⅞	19¾-20⅛	27¾-29¼	17-18	8⅛-8⅜

SDR linked deposits: one-month 16⅞-17⅛ per cent; three-months 16⅞-16½ per cent; six-months 15⅞-16⅛ per cent; one-year 15⅜-15⅞ per cent.

ECU linked deposits: one-month 16½-16⅞ per cent; three-months 16⅞-17⅛ per cent; six-months 16¼-16⅝ per cent; one-year 15⅞-16⅛ per cent.

Asian $ (closing rates in Singapore): one-month 20⅛-20⅜ per cent; three-months 19⅛-19⅜ per cent; six-months 18⅞-18⅞ per cent; one-year 17⅝-17⅞ per cent. Long-term Eurodollar two-years 16¾-17 per cent; three-years 16½-16¾ per cent; four-years 16⅛-16⅜ per cent; five-years 16¼-16½ per cent; nominal closing rates.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.75-18.85 per cent; three-months 18.45-18.55 per cent; six-months 18.20-18.30 per cent; one-year 17.20-17.30 per cent.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 24)

3 months U.S. dollars		6 months U.S. dollars	
bid 19 5/16	offer 19 5/16	bid 18 7/8	offer 19

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

July 24 1981	Sterling Certificate of deposit	*Interbank*	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	11¾-13⅛	12¾	—	—	12½-12⅝	12-12½	—	—	—
2 days notice	—	—	13⅝	—	—	13-13⅝	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅞-13⅜	13½	—	14	—	12¼-12½	—	—	—
One month	14⅛-14⅛	14⅛-14⅞	14	14¾-14⅜	14⅛	14⅛	12½-13	13⅞	14⅛-14⅛	14¾
Two months	14⅝ 14¼	14⅛-14⅞	—	14⅞-14½	14⅝	14⅛	12¾-13	13⅞	14⅛-14⅛	14¾
Three months	14½-14⅞	14⅛-14½	14½	14⅞-14½	14⅞	14½	13-13½	13⅞	14⅛-14⅛	14¾
Six months	14⅛-14¼	14⅝ 14⅝	14⅛	14⅝-14⅛	14⅝	—	—	—	13¾-13⅞	14⅜
Nine months	14⅝-14⅞	14⅝ 14⅞	—	14⅞-14⅝	14¾	—	—	—	—	—
One year	14⅝-14⅞	14⅞-14⅞	14⅝	14⅝-14¼	14¾	—	—	—	—	—
Two years	—	—	14⅞	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three-years 16 per cent; four-years 15 per cent; five-years 15 per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞-14 per cent; four-months trade bills 14¾ per cent.

Approximate selling rate for one-month Treasury bills 13⅞ per cent; two-months 13⅞ per cent; three-months 13¾ per cent. Approximate selling rate for one-month bank bills 13⅞-13⅞ per cent; two-months 13⅞-13⅞ per cent; three-months 13⅞-13⅞ per cent; one-month trade bills 14½ per cent; two-months 14½ per cent; and three-months 14½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from July 1 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 13.7577 per cent.

CURRENCY MOVEMENTS

July 24	Bank of England Index	Morgan Guaranty Changes%
Sterling	92.0	−31.9
U.S. dollar	111.5	+4.8
Canadian dollar	87.4	−18.0
Austrian schilling	111.6	+21.9
Belgian franc	104.9	+9.2
Danish kroner	88.8	−11.2
Deutsche mark	116.6	+38.0
Swiss franc	135.9	+85.3
Guilder	107.9	+14.4
French franc	82.6	−11.7
Lira	57.4	−55.7
Yen	138.6	+32.8

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.2525	+1.11	+1.32	±1.5381
Danish Krone	7.91917	7.89870	−0.26	−0.05	±1.6413
German D-Mark	2.54502	2.51615	−1.13	−0.92	±1.1386
French Franc	5.99526	5.99395	−0.02	+0.19	±1.3638
Dutch Guilder	2.81318	2.80047	−0.45	−0.24	±1.5159
Irish Punt	0.685145	0.690683	+0.81	+1.02	±1.6688
Italian Lira	1262.92	1251.64	−0.89	−0.89	±4.1118

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

July 24	£	$		£ Note Rates
Argentina Peso	8883-8903†	4769-4789†	Austria	31.80-31.95
Australia Dollar	1.6320-1.6340	0.8765-0.8770	Belgium	78.00-78.80
Brazil Cruzeiro	176.16-177.16	94.69-95.16	Denmark	14.13-14.28
Finland Markka	8.48-8.49	4.5500-4.5520	France	10.70-10.80
Greek Drachma	108.855-111.861	59.55-59.75	Germany	4.51½-4.55½
Hong Kong Dollar	10.66½-10.67½	5.7200-5.7250	Italy	2215-2270
Iran Rial	150.80*	81.50*	Japan	435-441
Kuwait Dinar (KD)	0.522-0.528	0.2831-0.2835	Netherlands	5.02¼-5.05¼
Luxembourg Fr.	74.40-74.50	39.93-39.95	Norway	11.27-11.39
Malaysia Dollar	4.3975-4.4075	2.3590-2.3610	Portugal	119-126
New Zealand Dlr.	2.2330-2.2350	1.1980-1.1990	Spain	176½-184¾
Saudi Arab. Riyal	6.30-6.35	3.4110-3.4150	Sweden	9.60-9.70
Singapore Dollar	4.0125-4.0225	2.1525-2.1545	*Switzerland*	3.89½-3.93½
Sth. African Rand	1.7540-1.7560	0.9410-0.9420	United States	1.85½-1.87
U.A.E. Dirham	6.78-6.84	3.6700-3.6750	Yugoslavia	70-76

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 12,030-12,070 and for the dollar 6,450-6,500. *Selling rate.

U.K. CONVERTIBLE STOCKS 25/7/81

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.71	309.00	333.3	80-97	3.9	1.1	−0.8	−4 to 1	17.1	88.4	23.0	+23.3
Hanson Trust 6½pc Cv. 88-93	3.02	148.00	57.1	76-82	4.5	0.1	−3.0	−7 to −0	0.0	3.2	2.1	+ 5.1
Slough Estates 10pc Cv. 87-90	5.31	252.00	187.5	78-85	4.0		−4.0	−6 to 1	29.6	28.3	−0.5	+ 3.5
Slough Estates 8pc Cv. 91-94	24.88	118.00	78.0	80-91	6.8	5.7	8.1	6 to 19	29.2	45.6	15.0	+ 6.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Equities and Gilts steady to firm in idle trading at start of new Account—John Brown good on results

Account Dealing Dates
Option

*First Dealings	Declara- tions	Last Dealings	Account Day
July 13	July 22	July 23	Aug 3
July 24	Aug 6	Aug 7	Aug 17
Aug 10	Aug 26	Aug 27	Sept 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

No decided trend emerged in the two main areas of investment yesterday, the first day of a new trading Account on the London Stock Exchange. British Funds stayed firm helped by sterling's better showing, but gains were minimal—usually being restricted to ⅛ following limited demand in a market short of stock. The Government Securities index moved up to 64.16, up 1.04 from Tuesday's 4½-year low.

Special situations attracted most attention in equities with actual and potential bids throwing up several prominently bright features, although **Law Land** and **Churchbury Estates** both fell back on news of the latter's claim of control following the contested bid. **Clifford's Dairies** flared up on talk that **Unigate** may come again after last year's unsuccessful takeover attempt; a late denial from Unigate still left Clifford's issues well up on the day.

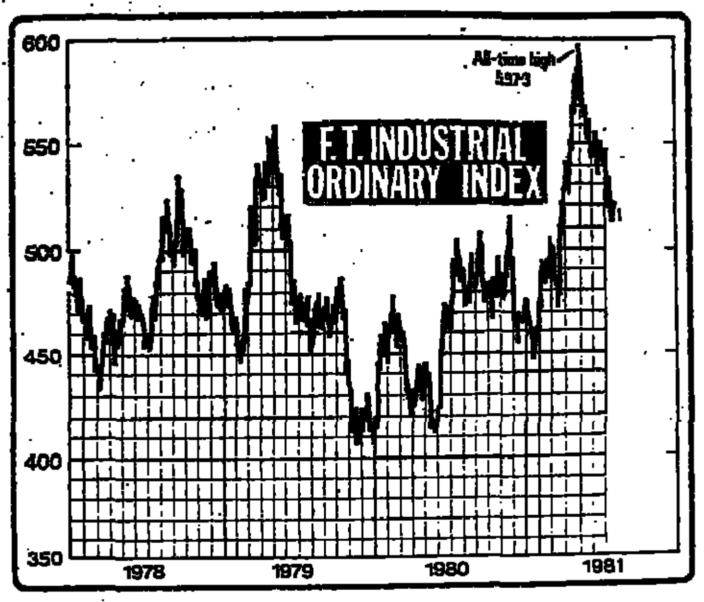
John Brown stood out in Engineerings with a rise of 7 to 90p following annual pre-tax profits reduced by a third but still better than expected. **BAT Industries** showed renewed strength following reports of good trading by its U.S. subsidiaries, but worries about ICI's dividend intentions with next Thursday's interim statement left the shares a couple of pence down for a fall of 10 over the week.

Overall, the leaders generally held slightly above the previous closing levels and yesterday's rise of 1.6 took the FT Industrial Ordinary share index to 520.2, which represents a loss of 3.5 on the week.

Spasmodic interst continued to be shown in **Antofagasta Railway** which moved up 3 more to a peak for the year of £95.

Traded options recorded 1,468 deals and the week's daily average, boosted by the expiry of the July series on Wednesday, amounted to 2,036—the highest since Easter. **British Petroleum** were again to the fore with 374 calls and 30 puts completed, while a useful call business also developed in **Imps**, 243, and **Grand Metropolitan**, 149.

Hartons, the hive-off of Francis Sumner's non-textile interests, opened at 6p and improved quietly to close at 7p; the new nil-paid shares resulting from the rights issue ended at 2p premium. Elsewhere among recently-issued equities, **Stanelco** recovered after Thursday's shake-out and finished 5 up at 75p.



The Banking sector was bereft of features. **NatWest** hardened 3 to 415p ahead of Tuesday's interim results, but other clearers remained at overnight levels. In Merchant Banks, **Arbuthnot Latham** picked up 7 to 280p after recent weakness and **Hambros** rose 20 to 855p, both in thin markets. Elsewhere, **Union Discount** were lowered 9 to 430p xd.

London United high-lighted Insurances, rising 12 to 220p in belated recognition of the group's oil interests. **Stenhouse** responded to Press mention with a gain of 3 to 95p.

Building Construction issues occasionally made progress, **J. Jarvis** gaining 6 to 218p and **Walter Lawrence** 4 to 150p. Still influenced by the good interim results, **Y. J. Lovell** improved 4 further to 248p xd, while an investment recommendation lifted **Wilson (Connolly)** 4 to 134p. **Tunnel** moved up 6 late to 422p and, among Timbers, **Magnet and Southerns** recorded a similar gain at 142p.

Polly Peck profits

ICI traded a little nervously in front of Thursday's half-yearly statement and closed 2 off at 258p. Smaller-priced stocks featured **Anchor**, 73p, and **British Benzol**, 26p, with improvements of around 3 apiece. Overseas issues had contrasting movements in **Norsk Hydro**, up 5¾ at £39¼, and **Novo Inds. B**, down 4 at £82.

Store majors were quietly traded and most held the overnight levels. **House of Fraser** provided an exception, however, rising 4 to 172p on renewed speculative support. Secondary issues attracted a better business than of late. **Polly Peck** announced the expected return to profits and the chairman's confidence on future trading left the shares 7 dearer at 342p. **Cornell Dresses** added a couple of pence to 172p, while **Wearwell** gained the turn to 88p. The increased annual profits and dividend helped **K.O. Boardman** rise 1½ to 10p, while **MFI** continued firm on Thursday's full-year figures and ended 1½ up at 62p xd. **Vantona**, interim results due next Tuesday, rose 3 to 125p, while **Dixons Photographic**, preliminary results expected on Thursday, closed 5 to the good at 158p. Revived support lifted **Owen Owen** 10 to 225p, while a broker's bullish *circular* resulted in **J. Hepworth** improving 6 to 100p.

Interest faded in the Electrical leaders and movements rarely exceeded a few pence. Among secondary issues, further *consideration of the preliminary* results prompted a rise of 6 to 98p in **Ward and Goldstone**, but **Scan Data** fell 15 to 135p after comment on the interim figures. **STC**, on the other hand, continued firmly at 470p, up 5, while **Crystalate** improved 3½ to 83p helped by the announcement of a £4m linear microphone contract. Other bright spots included **Kode**, 9 to the good at 287p, and **Farnell**, 7 higher at 517p.

John Brown featured leading Engineers with a rise of 7 to 90p following preliminary figures above market expectations. A useful trade developed in **Hawker**, *2 up at 308p*, after recent weakness which left the shares 18 down on the week. Elsewhere, **Vosper** responded afresh to the interim results with a rise of 5 to 140p, but **West Bromwich Spring** fell 3 to 11 on the sharp fall in annual profits and the passing of the dividend. **Haden**, still reflecting a broker's investment recommendation, advanced 15 more to *220p, while* **G.M. Firth** continued to attract buyers and put on 5 further to 133p.

Revived speculation about a pending bid from Unigate had a dramatic impact on **Clifford's Dairies** and much of the sharp advance was held despite Unigate's late denial. Clifford's Ordinary closed 25 up at 200p, after 210p, and the A 16 higher at 126p, after 130p. Of the Food leaders, **J. Sainsbury** advanced 6 to 432p.

Hanson Trust rally

Leading miscellaneous industrials ended with small irregular movements after an uninspiring trading session. **Hanson Trust** rallied 6 to 272p after recent dullness on the proposed £44m rights issue. **Chubb** opened higher at 97p following an overnight flurry of demand on bid speculation, but reacted to 95p before moving ahead again to close 9 up on the day at 100p. Fresh support lifted **Sidlaw** 10 more to 190p, while **Initial Services**, still reflecting good results announced earlier in the week, improved 4 for a rise on the week of 20 to 236p. **Aeronautical and General** continued *to benefit from a recent* Press article and gained 10 further to 400p, but the reduced dividend and annual profits prompted a loss of 3 to 62p in **Howard Tenens**.

Dealings *resumed* in **Ofrex** at 131p compared with the suspension price of 122p following the announcement of an agreed bid of 130p cash from Dennison Manufacturing of the U.S. **AGB Research** continued firmly at 257p, up 10, but **Diamond Stylus** fell 2 to 11p on the slump in annual profits and passing of the dividend. **Mills and Allen** firmed 4 to 440p on the profits and dividend forecast contained in the offer document for **Letraset** which gained a similar amount to 120p. Still on the encouraging tenor of the chairman's annual statement, **Valor** improved 3 further to 60½p, while **Brengreen** put on 5 to 53½p xd on the success of the rights issue.

Dowty steadied after the shake-out that followed the preliminary results of the proposed one-for-two scrip issue and ended 2 better at 247p, still down 39 on the week. **Arlington**, down 29 in the previous two day's trading following the profits slump and cut dividend were quoted at 84p xd, up ½.

Churchbury Estates' success in gaining control of **Law Land** brought pressure to bear on both issues and Churchbury closed 35 down at 705p, while Law Land dropped 7 to 116p. Other Property highlights included 13 to 285p on comment about **Berkeley Hambro**, which jumped bid possibilites. Dearer money *fears seemed to subside* and small demand took **Land Securities** up 3 to 325p, **MEPC** moved 4 dearer to 232p. Elsewhere, **Westminster** hardened to 33½p following the increased half-yearly revenue and, among Overseas issues, **Lend Lease** rose 10 to 282p.

Oils firm late

Oil shares traded uncertainly before taking a late turn for the better, with **BP** ending 4 higher at 314p among the leaders. **Sovereign** closed 10 to the good at 365p and **Tricentrol** 6 higher at 278p. Renewed speculative demand *lifted* **Atlantic Resources** 45 more to 290p and, among other exploration issues, **Anvil** moved up 13 to 233p and **CCP North Sea** 7 to 210p.

Comment on the disappointing preliminary figures prompted further selling of **Inchcape** which closed 15 lower at 365p, after 360p. Elsewhere in Overseas Traders, **Tozer Kemsley and Millbourn**, widely-touted as a "dawn-raid" candidate, rose 3 for a two-day gain of 7 at 74p.

Shippings closed steady-to-firm. **British and Commonwealth** continued to draw strength from talk of a broker's circular and added 3 for a two-day gain of 16 to 318p; **Caledonia** rose 5 more to 297p.

Movements in Textiles were again restricted to a couple of pence either way. **Dawson International** added 2 to 175p, while **Allied**, still reflecting the pleasing interim results, hardened a like amount to a 1981 peak of 150p. News of the increased loss and omitted dividend had little apparent effect on **Harold Ingram**, unchanged at 30p.

Press comment highlighting the company's U.S. subsidiary prompted strong support of **Bats**, 18 up at 365p.

Golds lower

Mining markets continued to reflect fears of further increases in U.S. interest rates. South African Golds drifted throughout the day on lack of interest with the Gold Mines index 5.3 off at 322.3 and the bullion price finally $1 up on balance at $408.50 an ounce.

Heavyweights showed losses ranging to around ½ as in **Randfontein**, £21 ex-dividend, **Buffelsfontein**, £16¼, and **Driefontein**, £13¾, while **Hartebeest** gave up ½ to £26¾ and **Free State Geduld** a like amount to £18¾. **Vaal** *Reefs held steady at £33 following* the dividend declaration but **Southvaal** eased ¼ to £15¾ on disapopintment with the dividend payment announced after-hours on Thursday.

Activity in Financials remained at a low level. In South Africans, **Gencor** rose 10 to 950p, **Anglo American Corporation** 4 to 664p and "**Amcoal**" ½ to £15⅞, but **GFSA** attracted profit-taking and slipped ¾ to £38¼.

Australians were marginally firmer on the day but still showed substantial losses over the week as domestic markets fell heavily in the wake of higher international and local interest rates. The leaders sustained the heaviest losses over the five-day period although yesterday **Bond Corporation** recouped 6 to 208p, and **Western Mining** 4 to 294p.

Oil-shale issues were featured by **Central Pacific Minerals**, 8 higher at 78p, and **Southern Pacific Petroleum**, 4 up at 34p.

In Uraniums, **Pancontinental** held at 340p but still showed a loss of 35 on the week following the proposed rights and scrip issues.

Tins were highlighted by **Geevor Tin**, which advanced 13 more to 138p, still reflecting the 15-month high attained by tin prices.

Jantar gained 3 more to a 1981 high of 44p following the results and proposed scrip and rights issues.

Elsewhere, Coppers were again featured by **Messina** which attracted a good two-way business prior to closing unaltered at 355p—up 30 on the week—in the wake of the recent gains in metal prices and favourable press comment.

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (41)

FOREIGN BONDS (1)
Antofagasta Rly.

AMERICANS (2)
Colt Inds. Norton Simon Inc.

CANADIANS (1)
Gulf Canada

BUILDINGS (1)
Jarvis (J.)

CHEMICALS (2)
Anchor Chemical BASF AG

ELECTRICALS (4)
Cray Electronics Thorn Emi 7pc Cnv. Pf. 1992-99
Crystalate
Fidelity Radio

ENGINEERING (5)
Brown & Tawse Firth (G. M.)
Farmer (S. W.) Haden
Fife Forge

FOODS (4)
Assoc. Fisheries Clifford's Dairies
Pyke Do. A N-V

INDUSTRIALS (9)
AGB Research Ofrex
Chubb Scapa
Letraset Sidlaw
Lond. & Liverpool Vinten
MacLellan

INSURANCE (1)
London Utd.

MOTORS (2)
Volvo Appleyard

TEXTILES (5)
Allied Textile Carpets Int.
Beales (J.) Yorklyde
Beckman (A.)

TRUSTS (2)
Genl. Funds Conv. Britannia Arrow

OVERSEAS TRADERS (1)
Tozer Kemsley

MINES (1)
Jantar

NEW LOWS (22)

BEERS (1)
Guinness

STORES (2)
Beattie (J.) A Greenfields

ELECTRICALS (2)
Hadland (J.) Philips Fin. 5¼pc

ENGINEERING (3)
Elliott (B.) West. Brom. Spring
Staveley Inds.

INDUSTRIALS (3)
Diamond Stylus P.M.A.
Gieves

LEISURE (2)
Intasun Rediffusion TV Pref.

MOTORS (2)
Plaxton's (G.B.) Caffyns

TEXTILES (2)
Snia Viscosa Snia Viscosa Priv.

TRUSTS (2)
M. & G. Dual Inc. Yorks & Lancs.

OIL & GAS (1)
Gulfstream Res. Can.

OVERSEAS TRADERS (1)
Inchcape

MINES (1)
York Resources

RISES AND FALLS

	Yesterday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	73	—	20	258	110	97
Corpns. Dom. and Foreign Bonds	20	—	49	64	55	226
Industrials	272	154	943	898	1,583	4,368
Financial and Props.	119	63	319	340	729	1,436
Oils	37	15	42	122	160	188
Plantations	—	9	14	6	52	57
Mines	32	50	85	177	290	368
Others	47	42	108	185	350	448
Totals	600	333	1,580	2,050	3,329	7,184

FINANCIAL TIMES STOCK INDICES

	July 24	July 23	July 22	July 21	July 20	July 17	A year ago
Government Secs.	64.16	64.00	63.81	63.12	63.14	63.45	72.16
Fixed Interest	65.93	65.80	65.63	65.36	65.51	66.12	74.07
Industrial Ord.	520.2	518.6	517.0	512.2	514.0	523.7	487.3
Gold Mines	322.3	327.6	325.3	321.7	335.2	352.9	383.5
Ord. Div. Yield	6.08	6.09	6.11	6.16	6.16	6.05	7.45
Earnings, Yld. %(full)	11.66	11.67	11.71	11.81	11.81	11.60	18.09
P/E Ratio (net) (*)	10.76	10.75	10.71	10.63	10.63	10.82	6.66
Total bargains	17,144	19,002	18,156	20,816	16,932	17,558	23,698
Equity turnover £m.	—	188.74	194.13	115.66	116.27	171.07	141.13
Equity bargains	—	14,636	12,483	12,471	11,932	12,574	17,758

10 am 520.2. 11 am 521.3. Noon 520.1. 1 pm 519.8.
2 pm 519.6. 3 pm 519.8.

Latest Index 01-246 8026.

*Nil=9.92.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/5)	63.12 (21/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (29/5)	65.36 (21/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (6/1)	262.8 (29/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	July 23	July 22
Daily		
Gilt Edged Bargains	157.8	178.4
Equities Bargains	94.5	80.9
Equities Value	381.5	393.4
5-day Avrge.		
Gilt Edged Bargains	171.7	175.5
Equities Bargains	82.9	81.0
Equities Value	517.3	299.0

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri., July 24, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs. July 23 Index No.	Wed. July 22 Index No.	Tues. July 21 Index No.	Mon. July 20 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (214)	344.60	+0.4	10.57	4.54	11.69	343.33	341.96	341.15	343.01	278.25	364.69 (24/4)	272.28 (15/1)	364.69 (24/4/81)	50.71 (13/12/74)
2	Building Materials (25)	295.53	+0.8	13.30	5.76	9.16	293.13	292.75	293.26	296.60	263.04	334.34 (1/5)	236.82 (13/1)	334.34 (1/5/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	549.66	+0.3	17.27	5.17	6.73	547.88	547.03	545.58	553.75	415.22	610.27 (30/4)	403.39 (8/1)	610.27 (30/4/81)	71.48 (2/12/74)
4	Electricals (29)	1146.68	+0.3	8.02	2.40	15.26	1143.63	1129.58	1124.64	1118.82	793.84	1175.46 (3/7)	888.13 (15/1)	1175.46 (3/7/81)	84.71 (25/6/62)
5	Engineering Contractors (11)	490.26	+0.9	12.13	5.53	9.94	485.88	481.61	480.45	492.07	330.24	512.20 (30/4)	374.44 (20/1)	512.20 (30/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (69)	200.80	+0.7	13.00	5.94	9.73	199.34	201.58	202.62	204.54	180.00	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	148.08	+0.7	10.74	8.02	12.21	147.12	144.87	142.50	144.61	169.77	182.17 (1/5)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	96.85	−0.1	2.27	7.27	—	96.18	95.26	95.63	95.75	103.52	112.76 (1/5)	84.67 (23/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	364.73	−0.4	10.01	5.50	11.98	366.36	368.14	365.31	370.78	0.00	394.56 (24/4)	277.55 (15/1)	394.56 (24/4/81)	277.55 (15/1/81)
21	CONSUMER GROUP (195)	272.87	+0.2	12.63	5.87	9.77	272.27	272.51	270.67	272.48	229.85	294.75 (30/4)	227.50 (14/1)	294.75 (30/4/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	297.21	−0.2	14.96	6.49	8.02	297.83	299.61	297.50	299.10	284.07	325.16 (16/6)	244.42 (13/1)	325.16 (16/6/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	253.61	—	15.21	6.57	7.93	253.72	255.31	254.21	255.67	213.23	269.21 (1/5)	204.17 (14/1)	269.21 (1/5/81)	59.67 (11/12/74)
26	Food Retailing (14)	521.72	+0.8	9.43	3.41	12.64	517.35	519.54	517.99	521.72	346.89	556.21 (1/5)	440.89 (11/3)	556.21 (1/5/81)	54.25 (11/12/74)
27	Health and Household Products (7)	326.25	−0.2	8.44	4.49	14.11	326.87	325.81	324.47	324.69	229.36	346.59 (3/7)	245.38 (14/1)	346.59 (3/7/81)	175.38 (28/5/80)
29	Leisure (22)	433.62	−0.1	9.93	4.84	12.44	434.22	433.22	426.81	426.28	335.75	448.77 (1/5)	327.38 (16/1)	448.77 (1/5/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	483.64	−0.6	12.87	6.19	11.05	486.78	489.64	489.12	496.61	434.63	526.15 (11/5)	419.04 (15/1)	526.15 (11/5/81)	55.08 (6/1/75)
33	Packaging and Paper (13)	139.57	+0.2	15.05	7.59	7.90	139.30	137.87	138.83	140.22	132.71	161.79 (1/5)	108.85 (14/1)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (44)	252.92	—	11.52	5.27	11.56	252.94	253.37	251.02	254.19	227.72	294.06 (30/4)	238.15 (15/1)	294.06 (30/4/81)	52.63 (6/1/75)
35	Textiles (23)	156.22	—	7.56	5.85	18.97	156.27	155.27	155.07	155.66	126.32	172.84 (30/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	253.53	+3.3	20.04	9.85	5.85	245.46	242.58	239.92	241.01	224.38	268.26 (3/7)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (16)	289.95	+0.1	5.60	6.44	33.73	289.73	290.42	289.21	297.17	0.00	311.40 (1/5)	231.28 (4/2)	311.40 (1/5/81)	231.28 (4/2/81)
41	OTHER GROUPS (79)	220.05	+0.3	13.45	6.89	9.10	219.31	219.71	218.71	219.72	226.25	249.19 (30/4)	203.40 (13/3)	249.19 (30/4/81)	58.63 (6/1/75)
42	Chemicals (15)	268.49	−0.4	12.11	7.74	10.32	269.46	272.18	270.05	269.11	315.94	320.04 (30/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (6)	108.92	+0.3	15.17	7.55	7.94	108.58	108.04	107.12	107.13	103.82	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	540.81	+0.9	16.32	7.02	7.19	536.08	532.64	530.40	533.83	590.18	644.76 (24/4)	518.82 (15/1)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (45)	291.99	+0.9	13.41	5.76	9.15	289.38	288.64	288.61	292.64	284.56	308.77 (1/5)	249.71 (19/1)	308.77 (1/5/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488)	289.87	+0.3	11.95	5.49	10.32	289.03	288.78	287.39	289.10	250.54	312.53 (30/4)	241.24 (15/1)	312.53 (30/4/81)	59.01 (13/12/74)
51	Oils (12)	734.13	+0.8	22.86	7.83	4.85	728.35	710.46	694.40	698.87	787.29	923.71 (2/1)	653.38 (9/7)	1066.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	325.78	+0.4	13.89	5.90	8.60	324.55	322.90	320.35	322.29	293.14	352.08 (1/5)	290.43 (14/1)	352.08 (1/5/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	266.04	+0.3	—	5.53	—	265.14	264.96	263.09	265.03	229.70	271.36 (16/7)	227.09 (19/1)	271.36 (16/7/81)	55.88 (13/12/74)
62	Banks (6)	278.35	+0.1	33.30	6.59	3.51	278.11	279.77	275.58	278.60	227.69	287.38 (17/7)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	262.30	−1.3	—	8.60	—	265.79	266.01	264.79	267.64	298.69	314.03 (20/3)	262.38 (24/7)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (3)	238.86	+0.4	12.82	7.61	10.80	237.93	236.45	237.93	239.90	247.06	274.53 (25/3)	194.82 (8/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	267.45	+0.5	—	5.66	—	266.18	267.24	265.32	268.19	299.74	276.08 (16/7)	222.74 (7/1)	276.08 (16/7/81)	44.88 (2/1/75)
66	Insurance (Composite) (9)	174.72	+0.3	—	7.29	—	174.13	172.81	171.31	169.77	154.54	179.40 (3/7)	142.06 (19/1)	183.32 (18/9/80)	43.96 (13/12/74)
67	Insurance Brokers (8)	406.51	+1.4	10.98	5.71	12.36	400.76	397.37	396.36	399.15	332.84	411.88 (16/7)	294.21 (20/1)	411.88 (16/7/81)	65.86 (16/12/74)
68	Merchant Banks (13)	168.25	+0.5	—	5.17	—	167.36	167.17	167.50	170.89	141.65	179.36 (2/7)	143.07 (20/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (49)	478.28	+0.3	3.88	2.93	35.29	476.69	476.48	476.30	482.31	434.38	517.77 (2/4)	435.73 (16/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	181.52	+0.3	17.78	5.66	6.84	180.99	179.77	177.82	179.42	143.16	183.18 (15/7)	165.30 (19/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	305.12	+0.1	—	5.34	—	304.70	305.13	304.86	309.02	262.59	318.10 (24/4)	271.01 (23/1)	318.10 (24/4/81)	71.63 (13/12/74)
81	Mining Finance (3)	249.56	+0.7	14.11	5.48	8.35	247.79	247.31	245.65	244.49	242.85	270.39 (19/5)	200.76 (6/2)	277.15 (30/10/80)	66.31 (30/9/74)
91	Overseas Traders (20)	424.39	−0.9	11.57	7.02	10.95	428.16	427.28	424.20	427.25	408.94	488.51 (18/5)	420.28 (14/1)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	313.89	+0.3	—	5.81	—	312.84	311.68	309.42	311.43	280.55	332.77 (1/5)	278.20 (14/1)	332.77 (1/5/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri. July 24	Day's change %	Thurs. July 23	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	106.79	+0.16	106.62	—	6.24
2	5-15 years	102.75	+0.31	102.43	—	7.69
3	Over 15 years	104.53	+0.32	104.20	—	8.03
4	Irredeemables	114.27	+0.40	113.82	—	7.43
5	All Stocks	104.36	+0.26	104.09	—	7.27
6	Debentures & Loans	80.83	+0.28	80.76	0.16	6.27
7	Preference	61.28	−0.15	61.58	0.21	3.94

	AVERAGE GROSS REDEMPTION YIELDS		Fri. July 24	Thurs. July 23	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low Coupons	5 years	12.58	12.58	11.37	12.97 (21/7)	11.20 (28/3)
2		15 years	13.33	13.36	11.33	13.53 (20/7)	11.86 (20/3)
3		25 years	13.57	13.60	11.35	13.79 (20/7)	11.88 (6/1)
4	Medium Coupons	5 years	14.74	14.79	12.69	15.13 (21/7)	12.91 (20/3)
5		15 years	15.26	15.30	12.59	15.60 (21/7)	13.32 (20/3)
6		25 years	14.85	14.89	12.50	15.19 (21/7)	13.03 (20/3)
7	High Coupons	5 years	14.74	14.78	12.84	15.11 (21/7)	12.93 (20/3)
8		15 years	15.46	15.49	12.98	15.77 (21/7)	13.54 (20/3)
9		25 years	15.07	15.10	12.73	15.38 (21/7)	13.15 (20/3)
10	Irredeemables†		12.99	13.03	10.84	13.18 (20/7)	11.35 (20/3)
11	Debs & Loans	5 years	15.74	15.84	13.42	15.97 (21/7)	13.80 (27/3)
12		15 years	16.00	16.04	13.35	16.19 (21/7)	14.16 (27/3)
13		25 years	16.02	16.07	13.29	16.21 (21/7)	14.25 (27/3)
14	Preference†		16.24	16.22	14.16	16.24 (24/7)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.

DEBS. AND PREFS. NAME CHANGE: Cavenham has changed its name to Allied Suppliers (Holdings).

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS—contd.

Guinness Mahon Fd. Mgrs. (Guernsey)
PO Box 188, St. Peter Port, Guernsey. 0481 23506.
Intl. Fund ... $20.35 21.09 ... 11.20
Prices at June 25. Next dealing July 30.

Hambro Pacific Fund Mgmt. Ltd.

Management International Ltd.
Bk. of Bermuda Bldg., Bermuda. 809-295-4000
Bda. Intl. Bd. Fd. Cap. US$11.89 ... —
Bda. Intl. Bd. Fd. Inc. US$10.39 ... 12.00
Prices July 17. Next dealing July 27.

Schroder Mngt. Services (Jersey) Ltd.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Sterling Money Fd. ... £11.089 11.0895 ... —
Next subscription day July 29.

J. Henry Schroder Wagg & Co. Ltd.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	266.9	279.8	.....	3.89

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Property Fd. June 30		150.75	.....	6.80
Wider Fund June 30		285.25	.....	4.76
Narrower Fd. June 30		74.40	.....	13.71

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

American	76.7	82.1xd	+0.7	2.16
(Accum. Units)	83.1	88.9	+0.8	2.16
American Recovery	86.9	93.0	+0.3	1.54
(Accum. Units)	89.7	96.0	+0.3	1.54
Australasian	107.3	114.8	-1.2	1.18
(Accum. Units)	112.3	120.2	-1.3	1.18
Commodity	139.0	148.7xd	-1.7	2.85
(Accum. Units)	165.1	176.7	-1.9	2.85
Compound Growth	195.7	211.4	-0.2	2.94
Conversion Growth	128.3	137.3	-1.2	2.17
Conversion Income	76.6	82.0	.....	8.91
Dividend	128.4	138.0	-0.1	9.66
(Accum. Units)	293.7	315.7	-0.3	9.66
European	60.1	64.6xd	+0.2	3.20
(Accum. Units)	66.9	71.9	+0.2	3.20
Extra Yield	83.3	90.8	-0.1	9.75
(Accum. Units)	135.4	147.6	-0.1	9.75
Far Eastern	137.6	147.2	-2.6	1.20
(Accum. Units)	157.4	168.4	-3.0	1.20
Fund of Inv. Tsts.	98.3	105.7	-0.2	4.45
(Accum. Units)	134.1	144.2	-0.4	4.45
General	233.9	251.4xd	-0.2	5.94
(Accum. Units)	413.1	444.1	-0.3	5.94
Gilt Income	43.5	45.7	+0.2	10.44
(Accum. Units)	45.1	47.4	+0.2	10.44
High Income	110.5	118.2xd	+0.4	8.90
(Accum. Units)	227.9	243.9	+0.8	8.90
Japan	199.2	213.1	-1.1	0.60
(Accum. Units)	209.5	224.2	-1.1	0.60
Magnum	344.4	367.2xd	-2.3	5.37
(Accum. Units)	487.6	516.9	-3.1	5.37
Midland	164.7	176.2	+0.2	8.60
(Accum. Units)	325.1	347.9	+0.3	8.60
Recovery	128.3	137.3xd	+0.5	4.45
(Accum. Units)	145.7	155.9	+0.5	4.45
Second General	261.5	281.1xd	-1.3	4.96
(Accum. Units)	443.3	476.5	-2.3	4.96

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INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99 13/16	99 1/8	Treas. Variable '81§§	99 13/16	......	14.00	14.26
100 1/16	99 5/8	Exch. 12 1/4pc 1981‡‡	99 5/8	......	12.80	13.49
98	95 11/16	Treas. 8 1/4pc '80-82‡‡	97 1/4	+1/16	8.70	13.47
96 3/8	91 3/8	Treasury 3pc '82‡‡	96xd	......	3.12	10.61
107	100 1/8	Treasury 14pc '82‡‡	100 1/4	......	13.96	13.42
99 5/8	98 3/16	Treas. Variable '82§§	99 5/8	......	14.02	14.34
96 7/16	93 11/16	Treasury 8 1/4pc '82	95 1/2	......	8.63	13.47
96 3/16	93 11/16	Exch. 9 1/4pc 1982	95 1/8	......	9.72	13.84
95 1/8	92 5/8	Exch. 8 3/4pc 1983	94 1/4	......	9.28	13.20
92 1/4	84 7/8	Exch. 3pc 1983	91 1/4xd	......	3.29	9.10
99 5/8	95 7/8	Treasury 12pc 1983‡‡	96 11/16	+1/16	12.41	14.27
99 1/2	96 1/4	Treas. Variable '83§§	99 1/2	......	14.04	14.23
94 1/8	91 1/4	Treasury 9 1/4pc '83	93 5/16	+1/16	9.88	13.04
101 11/16	97 7/8	Exch. 13 1/2pc '83	98 3/4	+1/8	13.67	14.07
94 1/8	91 1/4	Exch. 10pc 1983	92 5/8	+1/8	10.79	13.69
88	84 1/2	Funding 5 1/2pc '82-84‡‡	87 1/4	......	6.30	11.56
96 1/4	92 5/8	Exch. 11 1/4pc 1984	93 7/8xd	+1/8	11.98	14.19
103 3/16	98 1/4	Exchequer 14pc. 1984	99 1/8	+1/8	14.12	14.34
82 5/8	78 1/2	Exch. 3pc 1984	81	......	3.70	10.81
93 5/8	92 1/4	Treasury 12pc 1984	93 5/8	+1/8	12.82	14.52
107 3/4	100 7/8	Treasury 15pc 1985	101 3/4xd	+1/8	14.74	14.37
98 7/8	91 5/8	Exch. 12pc Cnv. '85	92 5/8	+1/8	12.95	14.65
76	73 1/4	Treasury 3pc 1985	74 7/8	......	4.00	11.27
96 3/16	89 7/8	Treasury 11 1/2pc 1985●	90 3/4	......	12.67	14.63
98 7/8	91 1/4	Exch. 12 1/4pc 1985	92 5/8	+1/8	13.22	14.56
97 1/8	89 1/4	Exch. 11 3/4pc '86	90 7/8xd	+1/4	12.92	14.56
70 3/16	68	Treasury 3pc 1986●	69 3/4	......	4.36	11.66
97 15/16	90	Treasury 12pc '86	90 7/8	+1/8	13.20	14.66
88 5/8	81 3/8	Treasury 8 1/2pc '84-86‡‡	82	......	10.36	13.61

Five to Fifteen Years

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103 7/8	94 1/4	Exch. 13 1/4pc 1987	95 3/4	+1/4	13.86	14.43
81 1/4	75	Funding 6 1/2pc '85-87‡‡	76 1/4	+1/8	8.70	12.83
99 1/2	89 7/8	Treas. 12pc 1987	91 1/4	+1/8	13.56	14.85
81 1/8	74 1/2	Treasury 7 3/4pc '85-88‡‡	75 1/2	+1/8	10.27	13.53
65 1/2	59 1/8	Transport 3pc '78-88	62 1/4	+1/8	4.83	10.96
92 1/4	80 1/2	Treasury 11 1/2pc 1989	82 3/4xd	+3/8	13.80	15.30
67 1/4	61 1/4	Treasury 5pc '86-89	62 3/8	+1/4	8.20	12.81
101 1/2	88 5/8	Treasury 13pc 1990‡‡	91 1/2	+1/4	14.27	14.87
95 7/16	87 3/8	Exch. 12 1/2pc 1990	89 5/8	+3/8	14.51	15.45
80 7/8	72 5/8	Treasury 8 1/4pc '87-90‡‡	73 5/8	+1/8	11.35	13.64
93 1/8	80 1/4	Treasury 11 3/4pc 1991	82 1/2	+3/8	14.33	15.42
66 3/4	50 3/8	Funding 5 3/4pc '87-91‡‡	61 1/2	+1/4	9.62	13.24
90	78 3/4	Exch. 11pc 1991	80 1/2	+1/4	14.15	15.37

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPERS, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
45	32	Acmex 50c	42	......	Q2.5c	—	3.7
41	14	ACM 20c	30	−1	—	—	—
21	11½	Argosy Gold NL 25c	14		—	—	—
229	137	Bond Corp.	206	+6	Q7½c	1.9	2.2
104	76	Bougainville Kina	91	+1	Q25.6	1.8	17.2
302	214	CRA 50c	242	+2	Q19c	1.7	4.8
25	15	Canada Northwest	15	......	—	—	—
35	16	Carr Boyd 20c	17	......	—	—	—
415	62	Central Pacific	76	+8	—	—	—
35	15	Cons. Gold Mn. N.L. 50c	15		—	—	—
47	27	Coltus Pacific N.L.	27	−2	—	—	—
68	22	Eagle Corp. 10c	48	−2	—	—	—
40	27	Endeavour 20c	27	−1	—	—	—
500	310	G. M. Kalgoorlie 25c	380	......	†Q13c	ϕ	2.1
25	9	Great Eastern	18	......	—	—	—
275	180	Hampton Areas 10p	225	+10	2.5	ϕ	1.6
168	46	Haoma Gold N.L.	60	−2	—	—	—
85	22	Intl. Mining	27	−1	—	—	—
118	41	Jimberlana (50cFP)	41	......	—	—	—
245	135	Kitchener NL 25c	150	......	—	—	—
105	38	Leichardt Expln.	40	......	—	—	—
430	275	Meekatharra	350	+10	—	—	—
70	49	Metals Ex. 50c	53	+2	¶Q3c	2.9	3.5
38	20	Metramar Mins. 20cts	27	−1	—	—	—
20	10	Mid East Mins. NL	13	......	—	—	—
290	190	M.I.M. Hldgs. 50c	227	......	‡‡Q27.6c	1.7	‡
21	10	Minefields Expl. 25c	10½	......	—	—	—
123	83	Mount Lyell 25c	110	......	ϕ‡Q15c	1.7	8.4
20	13	Newmetal 20c	14	−1	—	—	—
69	41	Nickelore N.L.	49	......	—	—	—
204	149	North B. Hill 50c	183	−1	Q18c	3.1	6.1
84	50	Nth. Kalgurli	72	−1	—	—	—
200	94	Nth. Mining Corp.	186	−2	ϕ—	—	—
122	36	N. West Mining N.L.	44	−1	—	—	—
150	106	Oakbridge 50c	138	......	†Q12c	1.1	5.3
185	138	Oilmin N. L.	155	+5	—	—	—
188	164	Pacific Copper	166	......	—	—	—
605	340	Pancont'l 25c	340	......	—	—	—
83	42	Pariogo M&Ex.5p	83	......	ϕ—	—	—
525	375	Peko-Wallsend 50c	410	−20	ϕQ22½c	ϕ	3.4
43	27	Pelsart Res NL	30	+1	—	—	—
120	65	Seltrust A	65	......	—	—	—
157	25	Southern Pacific	34	+4	—	—	—
100	40	Swan Resources 20c	85	−4	—	—	—
18½	9½	West Coast 25c	12	+1	—	—	—
327	227	Westn. Mining 50c	293	+4	Q14c	1.6	2.9
27	14½	Westmex	16	+1	—	—	—
76	46	Whim Creek 20c	54	......	—	—	—
101	47	York Resources	47	−3	—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	9	Amal Nigeria 1p	9½	+½	‡‡6.0	—	—
300	245	Ayer Hitam $M1	250	......	‡Q205c	1.0	‡
106	54	Beralt Tin	106	......	ϕ5.0	3.3	6.7
155	98	Geevor	138	+13	—	—	—
11	8	Gold & Base 12½p	10½	......	—	—	—
660	520	Gopeng Cons.	540	......	‡30.0	1.8	‡
450	348	Hongkong	355	......	21.0	ϕ	8.4
137	115	Idris 10p	132	......	9.0	0.8	9.7
44	13	Jantar 12½p	44	+3	¶1.5	ϕ	7.8
98	85	Kamunting $M0.50	85	......	‡Q80c	1.8	‡
625	363	Killinghall $M1	625	......	hQ66.7c	ϕ	2.4
114	88	Malay Dredging 10c	114#	......	ϕhQ38c	0.9	7.5
68	30	Pahang	51	......	0.63	0.8	1.8
118	90	Pengkalen 10p	110	......	3.5	0.6	4.5
380	320	Petaling $M1	320	......	‡Q180c	1.4	‡
25	19	South Crofty 10p	24#	......	—	—	—
225	200	Sungei Besi $M1	215	......	‡Q400c	1.1	‡
185	95	Supreme Corp. $M1	165	......	ϕQ15½c	ϕ	2.1
118	115	Tanjong 15p	115	......	3.5	3.7	4.3
90	75	Tongkah H. Tin $Sm	75	......	Q23%	0.4	6.1
410	340	Tronoh $M1	350	......	Q110c	1.2	7.1

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
355	165	Messina R0.50	355	......	†Q45c	4.7	7.3

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	142	Anglo-Dominion	145	......	—	—	—
55	40	Barymin	42	......	—	—	—
25½	14	Burma Mines 10p	18	......	0.75	0.9	6.0
330	180	Colby Res. Corp.	225	......	—	—	—
275	200	Cons. Murch. 10c	230	......	‡Q30c	1.8	7.5
98	55	††Hemerdon 10c	55	......	—	—	—
180	135	Highwood Res.	140	......	—	—	—
400	300	Northgate C$1	310	−5	—	—	—
580	372	R.T.Z.	527	......	16.0	3.2	f7.9
£125	£93½	Do.9¾%Cu.Ln.'95-2000	£119½	+½	Q9¾%	—	f8.0
*51	32	††SPO Minerals 10p	35	......	—	—	—
47	27	Sabina Inds. C$1	27	......	—	—	—
44	28	††SWCM 10p	35	......	—	—	—
555	465	Tara Exptn. $1	555	+8	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- \# Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ** Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	Irish	Price	+ or −
Albany Inv. 20p	44	......	Conv. 9% '80/82	£91¾	......
Bertam	11	......	Nat. 9¾% 84/89	£69¾	−⅜
Bdg'wtr. Est. 50p	460	......	Fin. 13% 97/02	£80⅝	−½
Craig & Rose £1	£13	......	Alliance Gas	70	+1
Finlay Pkg. 5p	21	......	Arnott	240	......
Graig Ship. £1	£21¼	+¼	Carroll (P.J.)	82	......
Higsons Brew	63	......	Concrete Prods.	85	......
Holt (Jos) 25p	485	......	Heiton (Hldgs.)	30	......
I.O.M. Stm. £1	165	......	Irish Ropes	45	......
Pearce (C. H.)	880	......	Jacob	60	......
Peel Hldgs.	100	......	T.M.G.	14	......
Sheff. Refrshmt	93	−2	Unidare	101	......
Sindall (Wm.)	195				

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	18
BOC Intl.	11	"Imps"	7	Woolworths	6
B.S.R.	7	I.C.L.	6		
Babcock	11	Ladbroke	30	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	8
Beecham	18	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	37
Boots	28	"Lofs"	4½	MEPC	20
Bowaters	24	London Brick	7	Peachey	15
Brit. Aerospace	17	Lucas Inds.	18	Samuel Props.	13
B.A.T.	25	"Mams"	20	Town & City	2¾
Brown (J.)	9	Mrks. & Spncr	11		
Burton Ord.	14	Midland Bank	26	**Oils**	
Cadburys	7½	N.E.I.	8	Brit. Petroleum	33
Courtaulds	7	Nat. West. Bank	32	Burmah Oil	16
Debenhams	10	P & O Dfd.	12	Charterhall	8
Distillers	17	Plessey	28	KCA	22
Dunlop	8½	Racal Elect.	34	Premier	7½
Eagle Star	25	R.H.M.	5	Shell	32
F.N.F.C.	3	Rank Org. Ord.	14	Tricentrol	30
Gen. Accident	30	Reed Intnl.	25	Ultramar	44
Gen. Electric	60	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met.	18	Thorn EMI	30		
G.U.S. 'A'	44	Trust Houses	15	Charter Cons.	21
Guardian	30	Tube Invest.	18	Cons. Gold	45
G.K.N.	15	Turner & Newall	10	Lonrho	9
Hawker Sidd	25	Unilever	50	Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Saturday July 25 1981

MAN OF THE WEEK

Britain not on the rocks

BY MICHAEL THOMPSON-NOEL

IT HAS BEEN quite a week for Britain, what with a morale-boosting Test win over the Australians on a cricket field in Leeds. But the cheers that that provoked were almost at once eclipsed by the crescendo of indignation that rose to greet the news that King Juan Carlos of Spain had cancelled his visit to Britain for next week's royal wedding in protest against Prince Charles and Lady Diana Spencer starting their honeymoon from the disputed island of Gibraltar, Britain's last colony in Europe.

The British, who are both fond of their own royals and eagerly awaiting next week's junket, were horrified and cross. "Wedding Snub by

General Sir William Jackson
Britain's man on the Rock

Spain," read one Fleet Street headline. Another: "Hands Off the Honeymoon."

Buckingham Palace itself was in grand imperial mood, maintaining that it was really only a matter of "the Queen of England's son boarding the Queen's own yacht in the Queen's dockyard in a royal colony."

Yet it was emphasised in Madrid yesterday that Gibraltar remains the one political issue that unites all Spaniards, overriding regional, class or ideological divisions.

For the Spanish, it is inconceivable that the King of Spain should attend the wedding of the heir to the British throne when the honeymoon cruise is scheduled to start from Gibraltar.

Britain's man on the Rock is General Sir William Jackson, GBE, KCB, MC, who has been Governor and Commander-in-Chief of Gibraltar since 1978. (He is in Britain at present, enjoying what military headquarters in Gibraltar emphasised yesterday was a "strictly private" visit).

The general, 64 next month, is a professional soldier to his fingertips, as well as a highly successful military historian. He was educated at Shrewsbury, Woolwich, and King's College, Cambridge; joined the Royal Engineers; saw war service in Norway, Tunisia, Sicily, Italy and the Far East; and was then an instructor at the Staff College, Camberley, as well as at Sandhurst.

Immediately before his Gibraltar appointment, he was Military Historian of the Cabinet in London.

The Gibraltarians' heavy dependence on the British military base and dockyard is reflected in the fact that military activity, plus expenditure by resident and visiting servicemen, accounts for 60 per cent of Gibraltar's GNP, which for 1980 was estimated at some £60m.

In Madrid, the word from the Spanish Foreign Office, as it appears to be from Whitehall, is that the contacts and negotiations over the future of Gibraltar continue on a diplomatic course, despite the wedding incident.

This is at the root of what Spain is currently attempting to convey to Whitehall, most recently during the visit ten days ago to London of the Director General for European Affairs, Sr Juan Duran.

The Spanish negotiator repeated the requests from Madrid for a gesture on Britain's part that would allow Spain to end the border blockade of the colony. The current Spanish formula for a gesture, within the framework of last year's Lisbon joint statement, is that Spanish nationals on the Rock should have parity with EEC nationals.

Cultural activity flourished; there had been a revival of religion. And the youth of Gibraltar enjoyed almost full employment and healthy social lives.

Enjoying his quiet holiday in Britain, General Sir William Jackson must be thoroughly glad of the breather.

Planned EEC budget rise cut by defiant ministers

BY JOHN WYLES IN BRUSSELS

EEC BUDGET MINISTERS yesterday lopped £647m off the European Commission's £12.4bn proposals for Community spending next year and encountered a storm of abuse.

For the second year in succession the Commission formally dissociated itself from a Ministerial budget decision. Mr Christopher Tugendhat, the Commissioner for budgetary affairs, bluntly accused member states of failing to put "their money where their mouths are."

His fury—overriding the fatigue after a 17-hour meeting—was prompted by decisions to cut the Commission's planned spending on social policy by £127m to £401m and the suggested regional policy budget by £93m to £522.5m.

Mr Tugendhat accused member states of betraying promises to attack unemployment, made only three weeks ago at a summit meeting of EEC heads of government.

The social and regional policies are the main channels through which Brussels aids depressed areas.

Mr Tugendhat said: "A lot of people in the Community have very big mouths and turn out to be very mean when it comes to delivering on what they say."

Mr Ivor Richards, the Commissioner for social affairs, joined the attack, accusing the ministers of ignoring Europe's social priorities and delivering "a slap in the face for the 9m unemployed in the Community."

In spite of the cuts imposed by the ministers, the allocations for social and regional spending still allow for increases over this year's budgets of 14.9 per cent and 13.7 per cent respectively.

The Commission's plans would have entailed increases of 35 per cent and 27 per cent.

The social and regional policies together absorb only 8 per cent of the EEC's annual budget compared with 62 per cent for agriculture.

The European Parliament will almost certainly try to restore the ministers' cuts in the autumn, thus signalling the start of what could be yet another long confrontation between the EEC's institutions.

Parliamentary leaders had a relatively cheerful advance discussion with ministers on Wednesday and some are bound to see the decisions made yesterday as a betrayal of attitudes struck in that meeting.

As was the case last year, the onslaught on the Commission's proposals was led by West Germany, the biggest contributor to the EEC budget.

More surprising was the degree of support given by France, where the new Socialist government has made much of the need for action to help the unemployed and economically disadvantaged.

Belgium, the Netherlands and Denmark also took a tough line on several spending proposals, making budgetary austerity is the talk of the EEC capitals.

Mr Tugendhat was especially angered since many cuts, including those in energy spending, were made without any discussion of the merits of the policies. He called it "a dereliction of duty" by the ministers.

Britain and West Germany achieved only a symbolic victory in their attempt to reduce farm spending.

The ministers lamely transferred some £238m out of a total farm budget of £7.5bn to a special reserve, from which Britain and West Germany could block spending for only six weeks.

SDP-Liberal chiefs seek unity

BY RICHARD EVANS, LOBBY EDITOR

SOCIAL DEMOCRAT and Liberal leaders launched a concerted attempt yesterday to end the embarrassing recent squabbling between the two parties. They called for unity following impressive local government by-election victories.

Dr David Owen, the SDP parliamentary leader, said the wins, in Hertfordshire, Cleveland and Lambeth, South London, not only vindicated the wisdom of forging an electoral alliance with the Liberals but demonstrated the SDP's "amazing electoral strength."

He said in Durham: "The myth about the SDP being a southern-based party has been smashed. The message is loud and clear. The SDP has an appeal across the parties, across the classes and across the North-South divide."

Mr David Steel, the Liberal leader, said the result in Labour's Lambeth stronghold was particularly remarkable for the Liberals and Social Democrats. "It is the first positive example of electoral gain for the alliance resulting from local agreement between the two parties. This is the way forward. Doubting Thomases, please note."

This was taken as a jibe at Mr Mike Thomas, SDP MP for Newcastle East. He embarrassed "the alliance leadership on Thursday by arguing that about half the Liberal candidates already selected in 230 constituencies would have to stand down if the alliance was to be effective.

While SDP leaders believe this to be true they see no point in trying to impose on local parties a formula from above. They hope Mr Steel will be able to persuade his rank and file of the wisdom of standing aside in constituencies where the SDP is reckoned to have a better chance of wresting the seat from either of the major parties.

The calls for unity also follow confusion and embarrassment over the choice of candidate for the key by-election in Croydon North-West. This showed how much difficulty Mr Steel might have in persuading his followers to accept a full-blooded alliance.

The local government by-election results and Mr Roy Jenkins's performance at Warrington underline the danger the SDP-Liberal alliance poses for both major parties. The joint leadership realises, however, that this threat would be dissipated through rumbling disputes and lack of co-operation.

Ofrex accepts Dennison's bid

BY CHRISTINE MOIR

DENNISON MANUFACTURING, a U.S. stationery manufacturer, emerged yesterday as the welcome suitor for Ofrex, one of the UK's leading office supplies and stationery groups, with an agreed bid for £25.8m.

The two groups had been holding "flirtatious conversations for a very long time," Morgan Grenfell, Dennison's advisers, said last night. But it was only when the share price began to move so sharply in the past fortnight that Dennison engaged in serious talks.

Ofrex's shares rose by 36 per cent between July 9 and last Wednesday's suspension at 122p. The Stock Exchange Council is looking at this movement.

The 130p offer from Dennison has won not only the irrevocable acceptance of Ofrex's founder, Mr George Drexler — who controls 10.6 per cent of the equity — but also persuaded holders of 23.8 per cent of the shares to sell in the market to Morgan Grenfell yesterday.

Commitments have also been received from holders of another 5 per cent of the capital, thereby making Dennison's controls 39.4 per cent of Ofrex.

Dennison is a leading U.S. manufacturer of stationery products for domestic, educational and commercial use. Worldwide sales in 1980 amounted to $492m (£264.5m).

Ofrex is best known for its Rexel, Ofrex and Fordigraph office products. It also makes industrial staples, packaging and marking equipment, and car seatbelt buckles. Sales last year were £46m. Pre-tax profits fell from £5m to £2.5m.

Under the terms of the bid, Ofrex will continue to operate independently. However, the board and its advisers, S. G. Warburg, believe the merger will "give added opportunities for the expansion of sales both in the UK and Europe because the two companies' products are so complementary."

Heileman Brewing in Schlitz bid

BY LACHLAN DRUMMOND IN NEW YORK

G. HEILEMAN Brewing, the fast-growing number six in the U.S. brewing industry, has bid $494m (£267m) in cash and shares for Jds. Schlitz, the Milwaukee-based concern which has dropped from second to *fourth place in the industry* in the past five years.

The merger, if it goes through, will create the third largest brewer with a capacity of almost 30m barrels of beer a year compared with 57m barrels for Anheuser-Busch, the industry leader, and about 40m barrels for Miller, the Philip Morris subsidiary.

The Schlitz board has not agreed to the takeover proposal, but the two companies have been holding talks. Schlitz said yesterday the talks were consistent with its previously announced policy of exploring all possibilities concerning its business.

Success for the bid depends crucially on the Uihlein family, descendants of Schlitz's founders, who own about half the stock. The bid price represents *a premium of almost 50 per cent* on the Schlitz closing share price on Thursday of $11⅛, which was up by $¼.

Heileman, best known outside the U.S. for its heavily marketed Colt 45 beer, is the phenomenon of the U.S. brewing industry. Its heavy promotional and production spending has outshone even Anheuser-Busch and Miller, while it has slashed at the market shares held by Schlitz and Pabst, the *two most famous names* in Milwaukee, America's traditional brewing capital.

Heileman, based in La Crosse, a Mississippi river town on the other side of Wisconsin from Milwaukee, is headed by Mr Russ Cleary. He has succeeded in pushing up the company's sales ninefold since 1970 to $722m last year through a mix *of well-timed takeovers of ailing* regional brewers (more than a dozen so far) and heavy regional advertising.

Heileman has raised volume sales 24 per cent a year since 1976, and currently has 125 different television commercials featuring eight or nine products. Its other beers include Rainier in Washington State and the North West and Old Style in the Midwest.

The regional approach has *meant lower advertising* costs per barrel sold—$2.79 compared with Anheuser's $3.87 and $4.49 for Schlitz last year.

Continued from Page 1

Reagan

factions are unlikely to be pleased by the truce and could seek to start the fighting again.

The Palestinians, meanwhile, are certain to resupply their forces in the south, a reason previously used by Mr Begin for refusing a ceasefire.

In Lebanon the lull provides an opportunity to repair some of the most recent war damage. A serious petrol shortage has developed since the country's second largest refinery at Zahrani was hit by Israeli shells.

Financial

Continued from Page One

have to make up their own minds far more than in the past about the appropriate level of *interest rates*.

The Bank's usual smoke signals have been more neutral than before.

In the gilt-edged market there was little response to the news that an additional £250m nominal is being created of each of 3 per cent Exchequer 1984 and 3 per cent Treasury 1985. The stock is being taken on the Bank's books at last night's closing prices and will not be offered for sale. Instead the stock will be dribbled out to meet market demand when *it arises*.

The stock is aimed at high rate income taxpayers more interested in capital appreciation than in income. The issue is partly intended to refinance the 3 per cent Exchequer 1981 which matures on August 21.

The 3 per cent Treasury 1986, which was issued on March 4, will no longer operate as a tap stock since only small amounts remain unsold.

Compromise may end Australia's labour rows

By Colin Chapman in Sydney

A COMPROMISE package aimed at ending the spate of industrial disputes which have crippled Australia for almost six weeks has been negotiated by Mr Malcolm Fraser, the Prime Minister.

Mr Fraser's intervention, which meant the postponement of his departure to London for the royal wedding and could lead to his missing the ceremony altogether, *came with a meeting* with Mr Cliff Dolan, president of the Australian Council of Trade Unions, and Sir John Moore, president of the Arbitration Commission.

Mr Dolan agreed to do his best to persuade all trade unionists involved in industrial action to go back to work this weekend.

In return, the Prime Minister promised to revoke all suspensions and lay-offs in the public service—including *telecommunications*—and to drop anti-union measures. These measures included plans to seek the de-registration of the Transport Workers' Union whose 50,000 members have been on strike, disrupting food deliveries and bringing road haulage to a halt.

The peace proposals also call on the Arbitration Commission to meet on Tuesday to reconsider the whole future of Australia's wages system.

The package is, however, *unlikely to mean an immediate* end to the industrial action. Mr. Ivan Hodgson, the federal secretary of the Transport Workers' Union, indicated immediately that it was *unlikely* his members would comply.

As the meeting took place the industrial situation grew worse.

Western Australia began to run out of food because of the transport dispute. Industry in South Australia came to a virtual halt. The large Mitsubishi car plant shut because of a shortage of raw materials.

In Victoria, transport workers agreed to resume moving essential food supplies. But before they could get the provisions to the shops, another union—representing storemen and packers—had come out in sympathy, leaving the shelves bare in most of Melbourne's large supermarkets.

The Government is expected before next Tuesday's meeting to put forward proposals to the Arbitration Commission for an entirely new wages policy, which will lay much greater emphasis on collective bargaining and enforceable agreements.

Weather

UK TODAY

CLOUDY, rain in North and East, sunny intervals and showers elsewhere.

London, most of England Channel, Borders, Edinburgh, Dundee, Aberdeen
Sunny intervals, showers. Max. 20C (68F).

E. and N.E. England
Cool. Cloudy, rain, brighter later. Max. 16C (61F).

S.W. England, Wales, I.o.M., S.W. Scotland, C. Highlands, N. Ireland
Dry. Sunny intervals. Max. 20C (68F).

Rest of Scotland, Orkney, Shetland
Rain, sunny intervals. Max. 16C (61F).

Outlook: Temperatures near normal in N., warm in S. Dry with sunny intervals. Rain moving south later.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	29	84	London	R	15	59
Algiers	S	30	86	L. Ang.†	C	19	66
Amsdm.	C	14	57	L. Ang.†	C	19	66
Athens	S	32	90	Luxmbg.	R	13	55
Bahrain	S	37	99	Luxor	S	39	102
Barclna.	C	22	72	Madrid	S	23	73
Beirut	C	27	81	Majorca	C	25	77
Belfast	C	13	55	Malaga	S	26	79
Belgrd.	S	32	90	Malta	S	28	82
Berlin	F	21	70	M'chstr.	C	13	55
Biarritz	F	17	63	Melbne.	C	10	50
Bmghm.	R	13	55	Mx. C.†		—	—
Blackpl.	C	14	57	Miami†	S	27	81
Bordx.	C	20	68	Milan	C	21	70
Boulgn	C	13	55	Montrl.†	S	16	61
Bristol	C	17	63	Moscow	S	26	79
Brussels	R	15	59	Munich	C	17	63
Budpst.	S	26	79	Nairobi	F	24	75
Cardiff	C	15	59	Naples	S	32	90
Cas'b'ca	S	24	75	Nwcstl.	C	11	52
Cape T.	S	17	63	N York†	C	21	70
Chicg.†	S	19	66	Nicosia	S	30	86
Cologne	C	18	64	Oporto	S	20	68
Cpnhgn.	S	20	68	Oslo	R	20	68
Corfu	S	31	88	Paris	C	15	59
Denver†	C	20	68	Perth	C	15	59
Dublin	C	13	55	Prague	F	20	68
Dbrvnk.	S	28	82	Reykjvk.	C	16	61
Ednbgh.	C	16	61	Rhodes	S	28	82
Faro	S	27	81	Rio J'o†		—	—
Florence	C	26	79	Rome	S	28	82
Frankft.	C	15	59	Salzbrg.	C	19	66
Funchal	F	21	70	S F'cisc†	F	11	52
Geneva	C	15	59	S'tiago†		—	—
Gibraltar	S	28	82	Stckhm.	F	23	73
Glasgow	F	16	61	Strasbg.	F	20	68
G'rnsey	F	15	59	Sydney	S	18	64
Helsinki	C	19	66	Tangier	S	25	77
H Kong	C	30	86	Tel Aviv	S	28	82
Innsbrk.	C	12	54	Tenerife	S	25	77
I.o.Man	F	13	55	T'ronto†	C	17	63
Istanbul	S	28	82	Tunis	S	37	99
Jersey	C	17	63	Valencia	C	24	75
Jo'burg	S	21	70	Venice	F	26	79
L. Pims.	F	23	73	Vienna	F	26	79
Lisbon	S	23	73	Warsaw	F	28	82
Locarno	Fg	15	59	Zurich	R	13	55

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. † Noon GMT temperatures.

THE LEX COLUMN

A tentative revival

Wednesday morning's FT showed a sterling/dollar rate of under $1.85, a three-year low, and redemption yields in the gilt-edged list ranging up as high as 15.98 per cent. Early in the week, too, the discount market was in ferment as the Bank of England struggled to keep short rates down. But by last night there was a feeling that the worst was over, at least for the moment. Gilts have rallied by anything up to two points in the past three days, equities have sluggishly followed, and in the money markets the hurdle of yesterday's jumbo Treasury bill tender was successfully negotiated—although everybody is uncomfortably aware that the three-month bill rate of 13.76 per cent corresponds to a 14 or even 14½ per cent Minimum Lending Rate rather than the 12 per cent which the bank is still bravely posting.

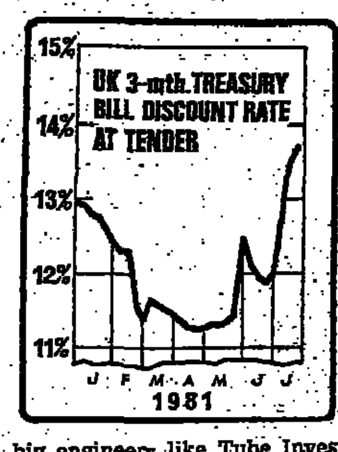
Needless to say, however, the situation remains fragile. Sterling received some assistance this week from news of a setback in the U.S. economy in the second quarter—which has once again raised hopes that the nasty interest rate medicine being inflicted upon the U.S. may be having an important effect. If so, dollar rates will be able to *come down much sooner* and more sharply. There was also some help for sterling from signs of a recovery in oil prices. But the signs are still all very tentative.

In the gilt-edged market, the future trends of public borrowing and money supply are still the subject of much anxious discussion—the most pressing aspect being the effect of the clearing of the statistical fog when the civil servants' dispute is finally settled.

But this week the Government Broker kept his nerve. There was no clumsy attempt to provide the market with the cheap stock it was evidently seeking, and eventually something of a bear squeeze developed. Yesterday's twin £250m low coupon mini-taps were aimed at specialist private investment demand rather than the investment institutions.

The rally in the bond market has led to a tentative recovery in share prices during the last few days. But the mood of the market is very different from that of late spring, when economic recovery seemed just around the corner and share prices in the manufacturing sector were surging ahead. Now all that looks a long way off. Prices in the capital goods sectors have dropped badly in the last three months, and the big engineers like Tube Investments and GKN are way below *their high points for* the year.

Index rose 1.6 to 520.2



The last few days have brought gloomy news from Staveley and John Brown about the level of activity in the UK, and no-one expects much cheer from ICI when it reports on its second quarter trading next week.

On the brighter side, shares in companies with an international exposure have gained from the weakness of sterling. These include the likes of BAT, the insurance brokers and some investment trusts. The oil sector has rallied quite smartly from the low point touched during the dark moments of the BP rights issue, and the clearing banks have also been doing nicely. Here at least is one group of companies which does not suffer when interest rates rise.

John Brown

Ten months through its financial year John Brown warned that pre-tax profits might be as low as £12m, against £21.1m in the year toMarch 1980. In fact they turn out at £14.2m, and although Brown generally beats its forecasts comfortably, it does seem that conditions changed for the better in the last couple of months of the financial year. Overhead recovery in the gas turbine business began to improve, and the threat of write-offs on some process plant work receded.

Most of the downturn reflects a shift from £5.3m of profits into a £1.2m of loss in gas turbines; this result gives no hint of the significant pick-up in the volume of export orders, at better margins, that has taken place in the last six months. In process plant work Brown is most comfortable—like Davy—in the U.S., although North Sea work is underpinning the UK business. The group's troubles are very much in the onshore UK, where machine tools and some of the general engineering businesses are on very short time in the face of a desperately dull demand picture.

The Leesona acquisition seems to be going well, although high interest rates in the U.S. constitute a large cloud over the capital goods industry. The UK plastic machinery businesses have been taken under Leesona's wing, with pleasing results, and the influence of U.S. management is now being extended to the machine tool division, which was the object of most of last year's £6.7m re-organisation cost below the line.

The group ought to see some improvement this year—perhaps to £18m pre-tax, at a very tentative guess. That would give a *p/e of* 10 times on a full tax charge at 90p, where the yield is 6.9 per cent. The shares rose 7p yesterday, and have come up 50 per cent since the interim statement; they now look high enough.

Letraset

The two most obvious defects of Mills and Allen International's bid for Letraset are the lack of a cash alternative, and the drop in income to a Letraset shareholder. In the absence of willing underwriters, little can be done about the first: net tangible assets account for only a third of MAI's £25m shareholders' funds, and the takeover of Letraset at a level two-thirds above its tangible net worth, even for paper, would create an animal which might find the Goodwill Group, plc, a suitable corporate identity. Never mind, the all-paper issue has been designed "to permit Letraset shareholders to participate in future growth."

To correct the second deficiency, MAI is proposing a dividend increase of more than 50 per cent. That would still leave Letraset shares, with the edge on income, assuming always that the final dividend were paid. Until Letraset breaks its silence this must remain a slightly questionable point — brokers Scott, Goff, Hancock have pointed out that the goodwill in Letraset's balance sheet, very largely relating to the shrunken and loss-making Stanley Gibbons, exceeds distributable reserves. If some of it has to be written off, the dividend may be in danger.

But these are academic considerations when the share price of Letraset stands 14 per cent above the MAI offer, screaming out for a higher bid.

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